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Lebanon: The Israel-Hamas-Hezbollah Conflict

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Summary

This report analyzes the current conflict between Israel and two U.S. State Department-designated Foreign Terrorist Organizations (FTOs), the Lebanese Shiite Muslim group Hezbollah and the radical Palestinian Hamas organization. On July 12, 2006, what had been a localized conflict between Israel and Palestinian militants in the Gaza Strip instantly became a regional conflagration after Hezbollah captured two Israeli soldiers in a surprise attack along the Israeli-Lebanese border. Israel has responded by carrying out air strikes against suspected Hezbollah targets in Lebanon, and Hezbollah has countered with rocket attacks against cities and towns in northern Israel. In order to push Hezbollah back from its border, Israel has launched a full-scale ground operation in Lebanon with the hopes of establishing a security zone free of Hezbollah militants. Meanwhile, Israeli clashes with Hamas and other Palestinian militants have continued in the Gaza Strip.

The Bush Administration has repeatedly stated its unequivocal support for Israel during this time of crisis, and President Bush has charged that “the root cause of the problem is Hezbollah... And part of those terrorist attacks are inspired by nation states, like Syria and Iran.” Many in the international community have called for an immediate cease-fire. On August 11, after intensive diplomacy, the U.N. Security Council adopted a U.S.-French drafted resolution (Resolution 1701) that would end the fighting and lead to the formation of a new or expanded international peacekeeping force in Lebanon.

On July 18, 2006, the Senate passed S.Res. 534, which, among other things, calls for the release of Israeli soldiers who are being held captive by Hezbollah or Hamas; condemns the governments of Iran and Syria for their continued support for Hezbollah and Hamas; urges all sides to protect innocent civilian life and infrastructure; and strongly supports the use of all diplomatic means available to free the captured Israeli soldiers. On July 20, 2006, the House passed H.Res. 921, which also condemns Hezbollah’s attack on Israel and urges the President to bring sanctions against the governments of Syria and Iran for their alleged sponsorship of Hezbollah.

The extension of the Israeli-Palestinian conflict into the Lebanese arena has created a multifaceted crisis that cuts across a number of U.S. policy issues in the Middle East. This report discusses not only the current military situation but also its implications for regional stability, Syrian influence in Lebanon and calls for meaningful Lebanese independence, Iranian regional aspirations and its pursuit of weapons of mass destruction, and energy security. This report will be updated as events unfold. A number of CRS analysts have contributed to this report. For additional questions, please contact the individual specialist listed under each section of the report. For more information on the major countries in the current conflict, please see CRS Report RL33476, *Israel: Background and Relations with the United States*; CRS Report RL33509, *Lebanon*; CRS Report RL33487, *Syria: U.S. Relations and Bilateral Issues*, CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, and CRS Report RL33530, *Israeli-Arab Negotiations: Background, Related Developments, and U.S. Policy*.

Contents

Introduction	1
A Multi-Dimensional Conflict	1
Differing Views of U.S. Policy	2
Prelude to the Current Crisis	3
Palestinian Elections and the Hamas-led PA Government	3
The Isolation of Hamas and Internecine Palestinian Violence	4
Israeli-Palestinian Fighting	4
Enter Hezbollah	6
Possible Explanations for Hezbollah's Attack	7
The Military Conflict	8
Military Operations	8
Is Israel Achieving its Goals?	10
Diplomatic Efforts and Possible Deployment of International Peacekeepers	12
U.N. Security Council Resolution 1701	12
Differing EU and U.S. Positions	13
Arab Governments	15
The Regional Dimension and Issues for U.S. Policy	16
Lebanon	16
U.S. Concern for Lebanese Independence	16
Syria	17
Syrian Support for Hezbollah	17
U.S. Policy Toward Syria During the Conflict	18
Iran	19
Iran's Relationship to Hezbollah	19
U.S. Efforts to Contain Iran	19
Iraq	20
Regional Reactions: The Moderate Arab States	21
Role of Congress	22
Legislation, Foreign Assistance, Sanctions, and Equipment	
Use Restrictions	22
Recent Legislation	23
Congress and Evacuation Costs for U.S. Citizens	23
U.S. Foreign Assistance	24
Sanctions	26
Restrictions on the Use of U.S. Supplied Military Equipment	26
Implications	28
Prospects for a Regional War	28
U.S. Homeland Security	28
Hezbollah: Assessing Capabilities and Intent	28
Sympathizer Attacks: Threats and Responses	30
Cyber-Security	30

Islam, Al Qaeda, and the Global War on Terrorism	31
Conclusion: The Unresolved Issues	33
Appendix A: Chronology of Recent Events	35
Appendix B: Chronology of Conflict on the Israeli-Lebanese-Syrian Border ..	45
Appendix C: U.S. Sanctions	46
Iran	46
Syria	46
Lebanon	47
Hamas and Hezbollah	48

List of Figures

Figure 1. Map of Lebanon, Israel, the Gaza Strip, and the West Bank	9
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Lebanon: The Israel-Hamas-Hezbollah Conflict

Introduction

A Multi-Dimensional Conflict

Hezbollah's¹ July 12, 2006, attack in northern Israel, in which two Israeli soldiers were kidnaped, elicited an Israeli military response that has again embroiled the region in a multi-dimensional conflict. This conflict has serious implications for an array of U.S. policy issues in the Middle East ranging from U.S. efforts to combat terrorist organizations to the preservation of Lebanon's sovereignty and independence. Though the primary combatants remain part of a triangular dynamic in which Israel is at war with Hezbollah in Lebanon and with Palestinian militants, including Hamas, in the Gaza Strip, there are secondary players who add additional layers of complexity to the conflict, namely Iran and Syria.² Both countries have played significant roles in arming, training, and financing Hezbollah (and to a lesser extent Hamas) and have used the Lebanese Shiite organization as a proxy to further their own goals in the region. Iran may have aspirations to become the dominant power in the Middle East, and many in the international community are closely focused on its potential weapons of mass destruction capability. In this light, fighting in southern Lebanon is viewed by some as a contest between two of the Middle East's most bitter rivals and most powerful actors, Israel and Iran (via Hezbollah by proxy), and it could be a harbinger of future indirect confrontations between two possibly nuclear-armed nations.

In Lebanon itself, the fighting has demonstrated Israel's political will to push Hezbollah back from its border despite the high cost the campaign has paid in civilian casualties from rocket attacks in northern Israel and soldiers' lives lost in ground operations. On the other hand, Hezbollah has tried to write its own narrative of the current conflict, in which it claims victory for merely "surviving" and for sustaining its ability to fire low-tech Katyusha rockets into Israel. What impact the conflict has had on Lebanese politics remains to be seen. There is still much anger among Lebanese Christians and other sects directed at Hezbollah for instigating a war that has produced the widespread destruction of Lebanon's infrastructure,

¹ For the purposes of this report, "Hezbollah" is used in referring to the Lebanese Shiite Muslim group. Common alternate spellings include Hizballah, Hizbullah, and Hizb`allah.

² There also are tertiary actors with an interest in the war in Lebanon. The European Union, other Arab states, and the United Nations all have been closely involved in trying to resolve the crisis.

environment, and economy. Yet, at the same time, the conflict may strengthen Hezbollah politically, as many in Lebanon and in the region are already lionizing the organization for fighting Israel.

From the U.S. standpoint, the current war in Lebanon also touches on broader themes beyond the realm of the Arab-Israeli conflict. For example, U.S. military analysts reportedly are closely monitoring the tactics and strategy of Iranian-trained Hezbollah fighters so that U.S. military doctrine can adapt to their style of warfare. Some have dubbed it “net-centric warfare,” in which small guerrilla units operate autonomously against an enemy’s conventional military force. Such adaptations already have been underway in Iraq and Afghanistan. Other policy makers are concerned with how the conflict will affect U.S. democracy promotion efforts. The Administration had hailed the Lebanese “Cedar Revolution,” which brought an anti-Syrian coalition to power in the 2005 elections following the assassination of former Prime Minister Rafiq Hariri and led to the ouster of Syrian forces from the country. Some speculate that Hezbollah has gained more popular support from fighting Israel and complicating U.S. democracy promotion efforts. It and Hamas are both U.S.-designated foreign terrorist organizations, yet they hold seats in their respective parliaments and executive branches. Finally, some terrorism specialists believe that the current conflict will further fan the flames of radicalism in the Arab and Muslim worlds. Although Hezbollah is a Lebanese Shiite organization allied with Shiite Iran, radical Sunni groups, such as Al Qaeda, may use the conflict as a pretext for attacks against Western interests abroad in the name of unity among Arabs and all Muslims (Sunni and Shiite) alike.

Differing Views of U.S. Policy

With fighting in southern Lebanon unabated as of early August, there are various views on the level of U.S. involvement in the current crisis. The Administration has on multiple occasions offered its steadfast support for Israel’s military operations in Lebanon and has been willing to give Israel time to uproot Hezbollah from its entrenched positions. The international community, while critical of Hezbollah’s provocations, has been far more outspoken about Israel’s sustained military response, and calls for an immediate cease-fire grew more intense after Israel’s bombing of the Lebanese village of Qana in which 28 civilians, mostly women and children, were killed. Supporters of Israel believe that should Israel succeed in pushing Hezbollah back from the Israeli-Lebanese border and weakening the organization militarily, the United States and Israel would send a clear message to Hezbollah’s backers, Iran and Syria, that their support for terrorism will not be tolerated. On the other hand, many independent observers and former Administration officials call for more U.S. diplomatic and even-handed engagement, out of concern that the historic U.S. role as an honest broker between Arabs and Israelis in furthering peace in the Middle East is being undermined. Some argue that by unequivocally siding with Israel, U.S. credibility in the Arab world may be irreparably damaged.

Prelude to the Current Crisis

Although Hezbollah's July 12, 2006, kidnapping of two Israeli soldiers initiated the conflict in southern Lebanon, tensions in the region had grown since the Hamas electoral victory in Palestinian legislative elections in January 2006. Over the course of the next six months, Israeli-Palestinian relations deteriorated rapidly, culminating in renewed fighting in the Gaza Strip, only months after Israel withdrew entirely from the territory and evacuated its settlements. Most observers assert that Hezbollah used the clashes between Hamas and Israel as a pretext and justification for its July 12 attack. The following sections provide background on how the region has been transformed over the past six months from one of relative calm to full-scale war.

Palestinian Elections and the Hamas-led PA Government³

On January 25, 2006, candidates of the “Change and Reform” party associated with the Islamic Resistance Movement (Hamas)⁴ won a majority in Palestinian Legislative Council (PLC) elections, defeating Fatah, the prior ruling party of the PLC and of Palestinian Authority President (PA) Mahmoud Abbas. In response, the Quartet (i.e., the United States, European Union, United Nations, and Russia) stated that “there is a fundamental contradiction between armed group and militia activities and the building of a democratic state.”⁵ Subsequent Quartet statements established clear principles for reviewing further engagement and assistance with the Hamas-led Palestinian government, namely “that all members of a future Palestinian government must be committed to non-violence, recognition of Israel, and acceptance of previous agreements and obligations, including the Roadmap.”⁶ President Abbas endorsed Hamas’ platform and cabinet candidates while expressing his demand that Hamas comply with the Quartet’s principles and support his efforts to achieve a two-state solution to the Israeli-Palestinian conflict.⁷ Since January 2006, Hamas leaders have largely rejected and refused to discuss the Quartet principles, arguing that while President Abbas may decide to negotiate with Israel, ultimately the Palestinian people would decide what to accept.

³ The following sections were prepared by Christopher Blanchard, Middle East Policy Analyst.

⁴ Hamas is an acronym for its full name in Arabic, *Harakat al-Muqawamah al-Islamiyyah* (the Islamic Resistance Movement).

⁵ Quartet Statement on Palestinian Legislative Council Elections, January 26, 2006.

⁶ Quartet Statements released January 30, 2006, and March 30, 2006. “The Roadmap” refers to the Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict, which was presented to Israel and the Palestinian Authority on April 30, 2003, by the Quartet as a plan to achieve a comprehensive settlement of the conflict in three phases by 2005.

⁷ The PLC approved the majority Hamas-bloc on March 28, 2006.

The Isolation of Hamas and Internecine Palestinian Violence

The electoral victory of Hamas surprised many outside observers and created a series of policy challenges for the Bush Administration, which had supported the election process as part of its efforts to reform the Palestinian Authority and its broader Middle East democracy promotion agenda. Israel and members of the Quartet took steps to limit the provision of non-humanitarian aid and financial resources to the Hamas-controlled Palestinian Authority based on Hamas leaders' refusal to accept the Quartet principles. Israel ceased its monthly transfers of approximately \$55 million in taxes and customs revenue collected monthly on behalf of the PA, and two leading Israeli banks announced plans to sever their commercial relationships with financial institutions in the West Bank and Gaza Strip.⁸ The Bush Administration suspended U.S.-funded development projects in the Palestinian territories and prohibited any and all U.S. persons from engaging in any unauthorized transactions with the Palestinian Authority because of its control by Hamas, a designated terrorist entity.⁹ The European Union — the PA's largest donor — also suspended its direct aid to the Palestinian Authority and, at the Quartet's behest, has subsequently spearheaded efforts to develop an international mechanism to deliver assistance to the Palestinian people without transfers to or through Hamas or the elements of the PA under its control.

The loss of customs revenue and direct foreign aid created crippling budgetary shortfalls for the PA and significant derivative economic hardship for many Palestinian citizens. President Abbas referred to the steps as a "siege," and throughout April, May, and June 2006, tensions over unpaid salaries and disagreements over command responsibilities flared between the Hamas-led government and armed security force personnel loyal to Fatah. Palestinian leaders, including President Abbas, engaged in several efforts to end the intra-Palestinian violence and bring closure to open questions of official Palestinian support for the Quartet principles (see discussion of the National Accord Document below). However, before these efforts could bear fruit, fresh violence between Israel and Hamas erupted in the Gaza Strip and has escalated.

Israeli-Palestinian Fighting¹⁰

For many months prior to the late spring/summer 2006 outbreak of fighting, violence had been somewhat subdued due to some self-imposed restraint by the major players involved. In March 2005, Hamas and 12 other Palestinian groups agreed to extend an informal truce or "calm" (referred to in Arabic as a *hudna*) with Israel for one year. Some call the agreement a cease-fire even though it was a

⁸ Press reports suggested that Israel's Bank Discount and Bank Hapoalim have agreed to postpone their plans until August 15, 2006. The proposals would directly affect Palestinian civilians by severely complicating or preventing most Palestinian commercial financial transactions in Israeli shekels, the principal currency used in the West Bank and Gaza Strip.

⁹ For more information see CRS Report RS22370, *U.S. Foreign Aid to the Palestinians*.

¹⁰ The following sections were prepared by Carol Migdalovitz, Specialist in Middle Eastern Affairs, on August 3, 2006.

unilateral Palestinian declaration to which Israel was not a party. Palestine Islamic Jihad (PIJ) did not agree to the calm and was responsible for several suicide bombings within Israel in the period that followed. Hamas, which had been responsible for many suicide bombings during the second *intifadah* (Palestinian uprising against Israeli occupation) that had begun in September 2000, refrained from such attacks after declaring the *hudna*. It did, however, continue to fire mortars and rockets against Israeli settlements in the Gaza Strip before Israel's summer 2005 withdrawal from the region and into southern Israel after Israel's withdrawal. Israel usually responded with air and artillery strikes, but it also carried out what it terms targeted killings of terrorists.

On June 9, 2006, a Palestinian family was killed on a Gaza beach. The Palestinians claimed that the victims had been struck by Israeli artillery fire, but Israel denied responsibility for the deaths. Nonetheless, the incident provoked Hamas to call off its truce and intensify rocket fire into southern Israel.

Also in June, Palestinian factions held an intense national dialogue in the West Bank and Gaza in which they ultimately agreed on a National Accord Document (also known as the Prisoners' Document because Hamas and Fatah leaders imprisoned by Israel had collaborated on the first draft) to reconcile their positions and goals. Hamas leaders in Damascus, notably political bureau chief Khalid Mish'al, reportedly did not agree with the National Accord Document because it might be seen as suggesting that Hamas had moderated its views regarding Israel and the peace process. On June 25, members of the Hamas military wing (Izz ad-Din al-Qassam Brigades) and two other groups attacked Israeli forces in Israel, just outside of Gaza, killing two Israeli soldiers, wounding four, and kidnaping one. The perpetrators demanded the release of Palestinian women and minors from Israeli prisons. Some analysts suggest that Mish'al was behind the attack in order to assert his power over more "moderate" Hamas officials in the territories and to undermine the National Accord.

On June 27, after unsuccessful diplomatic efforts to secure the kidnaped soldier's release, Israeli forces began a major operation to rescue him, to deter future Hamas attacks, including rocket launches from Gaza into southern Israel, and to weaken, bring down, or change the conduct of the Hamas-led Palestinian Authority government. Israeli officials claimed that Hamas had crossed a "red line" with the kidnaping and attack within pre-1967 Israel, but said that Israel did not intend to reoccupy Gaza.

On June 28, Hamas officials in the Palestinian Authority allied themselves with the kidnapers by adopting their demands. Israeli officials responded by insisting on the unconditional release of the soldier. On June 29, Israel forces arrested 64 Palestinian (Hamas) cabinet ministers, parliamentarians, and other Hamas officials in the West Bank and Jerusalem in what the Foreign Ministry described the action as a "normal legal procedure" targeting suspected terrorists.

In early military operations, Israeli planes bombed offices of PA ministries headed by Hamas, weapons depots, training sites, and access roads; ground forces entered Gaza to locate tunnels and explosives near the border and targeted Hamas offices in the West Bank. After Hamas militants fired an upgraded rocket at the

Israeli port city of Ashkelon on July 4, the Israeli cabinet approved “prolonged” activities against Hamas; air and artillery strikes and ground incursions are still occurring. Meanwhile, Palestinian militants continue to fire rockets into southern Israel.

International mediators have tried to calm the recent upsurge in violence. The Egyptians have reportedly proposed a resolution in which Hamas would release the soldier in exchange for an Israeli promise to release prisoners at a later date. On July 10, however, Khalid Mish’al insisted on the mutual release or “swap” of prisoners. On the same day, Israeli Prime Minister Ehud Olmert said that trading prisoners with Hamas would cause a lot of damage to the future of the State of Israel, perhaps because it would continue a precedent that he seeks to break.¹¹ He later observed that negotiating with Hamas also would signal that moderates such as Palestinian Authority (PA) President Mahmud Abbas are not needed.

Abbas told a visiting U.N. team that he wanted to “de-link” the crisis in the Palestinian areas from the crisis that developed subsequently between Israel and Hezbollah in Lebanon in order to prevent non-Palestinian extremists (Hezbollah) from hijacking the leadership of the Palestinian issue.¹² Yet, neither President Abbas nor the Hamas-led PA government officials represent the kidnappers and can bring about a resolution. Hamas leader Mish’al appears to be in control and emphasizes the importance of cooperation between Hamas and Hezbollah and specifically calls for not separating the Palestinian and Lebanese issues.¹³

Enter Hezbollah

On July 12, under cover of massive shelling of a town in northern Israel, Hezbollah forces crossed the international border from Lebanon into northwestern Israel and attacked two Israeli vehicles, killing three soldiers and kidnapping two. Hezbollah thereby opened a second front against Israel ostensibly in support of Hamas. Sheikh Hassan Nasrallah, Hezbollah’s leader, suggested that the Hezbollah operation might provide a way out of the crisis in Gaza because Israel had negotiated with Hezbollah indirectly in the past even though it refuses to negotiate with Hamas now. He said that the only way the soldiers would be returned would be through a prisoner exchange. Although Hezbollah and Hamas are not organizationally linked, Hezbollah provides military training as well as financial and moral support to the Palestinian group and has acted in some ways as a mentor or role model for Hamas, which has sought to emulate the Lebanese group’s political and media success. Hamas’s kidnapping of the Israeli soldier follows a different Hezbollah example. Moreover, two groups share the goal of driving Israel from occupied territories and ultimately eliminating it; both maintain close ties with Iran.

¹¹ “Olmert Says No Deal With ‘Bloody’ Hamas,” *FoxNews.com*, July 10, 2006.

¹² As reported to the U.N. Security Council, July 21, 2006, meeting record S/PV.5493.

¹³ Reported on Al-Jazirah Satellite Channel Television, July 31, 2006, Open Source Center Document GMP20060731635002.

Possible Explanations for Hezbollah's Attack. The reasons for the Hezbollah action may extend beyond Nasrallah's often publicly espoused intention to kidnap Israelis for a prisoner exchange. Hezbollah has the capacity to decide to act on its own and could have done so in the spirit of "Shi'a triumphalism" spurred by the Iraqi Shiites' ascension to power and Iran's pursuit of nuclear weapons. It also may have acted in solidarity with the besieged Palestinians or with its Syrian and Iranian supporters. Another explanation is that Hezbollah may have wanted to prevent a resolution of the Gaza crisis. Egyptian President Hosni Mubarak and Palestinian Authority President Mahmud Abbas have claimed that an agreement for a prisoner exchange had almost been reached, immediately before the Hezbollah attack, but Hezbollah's action complicated or prevented it.

Some observers question Hezbollah's autonomy and offer other explanations for the July 12 action. Much speculation focuses on whether Hezbollah acted at the behest of or with the approval of Iran, its main sponsor, because Iran also supports Hamas or may have wanted to divert international attention from the impasse over its nuclear program. If the latter is the case, it gained only a limited time when the U.N. Security Council postponed consideration of the nuclear issue due to the Lebanon situation because, on July 31, the Council approved a resolution demanding that Iran suspend its uranium enrichment program by August 31 or face sanctions. Others suggest that Syria may be using its Hezbollah allies to resurrect its influence in Lebanon, from which it had been forced to withdraw in 2005.¹⁴

Other experts give a more nuanced appraisal. U.S. CENTCOM Commander General John Abizaid observed that it is more likely that Syria and Iran are exploiting the situation created by the kidnaping than that they ordered it. U.S. State Department Coordinator for Counterterrorism Henry Crumpton asserted that Syria and Iran do not control Hezbollah, but added that Hezbollah asks Iranian permission if its actions have broader international implications. In this case, Hezbollah may not have foreseen the implications of its July 12 operation and expected "the usual, limited" Israeli response characteristic of the period since 2000.¹⁵ Therefore, it may not have asked permission from Teheran.

¹⁴ Syria already has benefitted somewhat from the conflict as the U.N. envoy investigating the assassination of former Lebanese Rafiq Hariri, and possible Syrian involvement in that killing, was evacuated from Beirut.

¹⁵ Observation of Mahmoud Komati, an Hezbollah political official, quoted by Greg Myre and Helene Cooper, "Israel to Occupy Area of Lebanon as a Security Zone," *New York Times*, July 26, 2006.

The Military Conflict

Military Operations¹⁶

To date, the current war in the Middle East is nearing the completion of its fourth week, and while both sides are claiming victory, Israel and Hezbollah continue to mount attacks and counter-strikes with regularity. In their efforts to stem Hezbollah rocket fire and destroy its infrastructure in southern Lebanon, Israeli military operations have spanned the air-sea-land spectrum. Extensive airstrikes throughout Lebanon, a naval blockade of Lebanese ports, large-scale mechanized infantry incursions, and commando raids have all played a role. Hezbollah appears to have limited its operations to repeated rocket barrages against the Israeli civilian population centers and defense of its tactical strongholds.

To date, the conflict has highlighted the challenges that even a technically advanced military confronts when fighting a well-organized and equipped guerilla force on its own territory. Despite the intensity and breadth of Israeli operations, Hezbollah's ability to sustain its rocket attacks and slow Israeli ground advances appears to remain significant. A number of factors have contributed to this situation. In the six years since the end of the Israeli occupation of the area, Hezbollah has constructed a seemingly extensive system of fortifications and weapons storage facilities. Israeli ground intelligence appears to have been somewhat limited. The high mobility of the Iranian-supplied rocket launchers allows them to "shoot and scoot" thereby significantly reducing the effectiveness of any counterattack.¹⁷ Unless they choose to stand and fight, the Hezbollah militants can blend in and out of the civilian population at will. And, dispersal of Hezbollah facilities and launching points amidst the civilian population significantly complicates Israeli targeting, despite its relatively sophisticated reconnaissance capabilities.

Generally, a successful anti-guerilla campaign is predicated on a sizeable occupation force and the ability to separate the guerillas from both their civilian support and outside supplies. While Israeli forces appear to have been relatively successful in interdicting outside re-supply of Hezbollah, they have not sought a full-scale occupation of southern Lebanon as they did in 1982. Though the conflict may have drained Hezbollah's arsenal somewhat, there appears to be little reduction in its ability to maintain harassing attacks on the Israeli population. Israeli officials have

¹⁶ This section was prepared by Steve Bowman, Specialist in National Defense.

¹⁷ Hezbollah has accumulated a reportedly very large arsenal of these weapons, with estimates reaching up to 12,000 munitions. The vast majority of these munitions are unguided rockets, often called Katyushas. Having ranges of between 20-45 miles they are able to strike a wide area of Israeli territory. Though unguided and of varying accuracy, this indiscriminate aspect can enhance their effectiveness as "terror" weapons against urban populations. Iran also has reportedly supplied Hezbollah with a limited number of the more advanced *Zelzal* (earthquake) rocket having a range of up to 120 miles. Israel has invested significantly in developing missile defense systems. However, the Tactical High Energy Laser missile defense system, jointly developed with the United States, though capable of defending against these rockets, is not expected to be fully operational until 2007. Israel reportedly has developmental models that could be deployed.

nevertheless claimed very extensive destruction of Hezbollah infrastructure in southern Lebanon.

Figure 1. Map of Lebanon, Israel, the Gaza Strip, and the West Bank



Source: Map Resources. Adapted by CRS. (K.Yancey 8/7/06).

Is Israel Achieving its Goals?¹⁸

On July 17, 2006, in a speech to the Knesset (parliament), Prime Minister Olmert summarized Israel's official conditions for the end of military operations against Lebanon: the return of the kidnaped soldiers, the end to Hezbollah rocket attacks, and the deployment of the Lebanese army along the Israeli-Lebanese border to replace Hezbollah units in order to increase the distance that Hezbollah's rockets and missiles would have to traverse before striking Israel.¹⁹ Israeli officials did not express any illusions that their forces would be able to disarm Hezbollah completely. However, subsequent operations have suggested that they hoped to degrade the militia's military capabilities considerably and prevent re-supplies from Syria and Iran. The government also decided that, unlike its predecessors, it would not allow Hezbollah to continue to build up its arsenal to use against Israel at will, and it would not cave in to what it viewed as the "blackmail" of kidnapings that are resolved by the disproportionate exchange of a few Israelis for hundreds of suspected terrorists.

As the military campaign progressed, Israel appeared to revise its goals somewhat. The government acknowledged that the Lebanese army would need the assistance of an international force to accomplish Israel's goals and declared that it would pave the ground for such a force by creating a buffer zone north of border. From expanded Israeli ground operations in early August, it appeared that Israel's desired zone could extend north to the Litani River. Prime Minister Olmert has said that Israel is in no rush to reach a cease-fire before it reaches its main objectives or before an effective and robust international military force is present; otherwise, he admits, Israel would have achieved nothing. Israel's view of the international force's mission, i.e., to disarm Hezbollah and prevent arms smuggling from Syria, however, may exceed the will of contributing countries.

Israel also has more strategic goals. After it withdrew from Lebanon in 2000, Israel generally responded to Hezbollah's rocket attacks with a few air strikes or artillery barrages, which Israeli analysts argue undermined the deterrent effects of the enemy's belief in Israel's military superiority. By showing Israel's military might and civilian resilience to Hezbollah, Syria, and Iran, in this view, the current campaign could restore Israel's essential deterrence and prevent future attacks. A few observers suggest that the devastation that Israel has wrought in Lebanon in itself will deter future Hezbollah adventurism or force other Lebanese to try to restrain it (although others predict the violence will increase Hezbollah's resolve). Finally, some even suggest that re-established deterrence would enable the Olmert government to proceed with plans to withdraw from parts of the West Bank.²⁰

¹⁸ This section was prepared by Carol Migdalovitz, Specialist in Middle Eastern Affairs.

¹⁹ Text of U.N. Security Council Resolution 1559, September 2, 2004, is available online at [http://www.un.org/Docs/sc/unsc_resolutions04.html].

²⁰ On deterrence, see "Pundits: Failure To Beat Hizballah To Weaken Israeli Deterrence, Arab Moderates," Open Source Center Report, Document GMP20060727735001, July 27, 2006.

There also is an Israeli domestic political element to its military goals in Lebanon. Some suggest that the Israeli government that only took office in March 2006 could benefit domestically from a successful military campaign. Unlike its predecessors, the Olmert government has few former military generals in key positions, and its principal leaders all lack significant military experience. Many observers believe that the current crisis affords these politicians a chance to prove their ability to protect Israel's security. In addition, although Olmert's Kadima Party won a plurality in the national elections in March, Olmert is not considered a particularly popular politician. However, polls so far show overwhelming popular support in Israel both for the military campaign and for the government's conduct. This surge may not survive the inevitable postwar second-guessing of decisions or recriminations for a resolution that will inevitably result from compromises that may not appear to fulfill Israel's goals.

Finally, Israeli officials may have had other goals. They might have hoped that, in order to stop the devastation, moderate Lebanese forces would pressure Hezbollah to change its conduct and concede to Israel's demands. If this was so, then they had the opposite effect as Israeli military operations appeared to create commonality among Lebanese factions in their opposition to Israel's actions. At the Rome Conference on Lebanon on July 26, Prime Minister Fouad Siniora, a Sunni, praised Hezbollah as having been key to ending Israel's occupation of southern Lebanon and as a legitimate part of the Lebanese government and adopted Hezbollah's conditions for the end of the conflict.

Hezbollah leader Sheikh Hassan Nasrallah has defined victory minimally as the survival of Hezbollah at the end of the conflict. Many observers believe that the group has already been victorious by standing up to the Israeli Defense Forces longer than Arab governments had done in the past. Hezbollah's political standing in Lebanon, and the Arab and Muslim worlds, has risen as the war has continued and, especially after the incident at Qana on July 30, some Hezbollah domestic rivals were supporting its fight against Israel.

A resolution to the conflict may contain elements that could lead Hezbollah to claim a greater victory. These might include a cease-fire before Israel achieves the objectives of its military operations, a de facto prisoner exchange, and Israeli withdrawal from the Shab'a Farms.²¹ The last would enable Hezbollah to claim credit for reclaiming additional Arab lands, but also might deprive it of the rationale for its "resistance" and lead it to consider disarming or integrating into the Lebanese army.

²¹ The Shab'a Farms enclave is regarded by the United Nations and the United States as part of the Israeli-occupied Syrian territory of the Golan Heights. However, Syria and Lebanon maintain that it is Lebanese territory from which Israel failed to withdraw when it withdrew from southern Lebanon in 2000. Hezbollah argues that they are justified in keeping their arms as long as Israel remains in the Shab'a Farms area, which Hezbollah regards as Lebanese territory. For more information on this issue, see CRS Report RL31078, *The Shab'a Farms Dispute and Its Implications*, by Alfred B. Prados.

Diplomatic Efforts and Possible Deployment of International Peacekeepers

After several weeks in which the United States refrained from fully engaging the international community in an effort to reach a cease-fire, U.S. and French officials began working to co-draft a United Nations Security Council resolution calling for an end to the violence. On August 5, the U.S. and French officials proposed a joint resolution aimed at securing an initial cease-fire resolution, probably to be followed by a second resolution aimed at securing a more lasting peace. The U.S.-French proposal called for cessation of hostilities, monitoring of a cease-fire by an expanded U.N. force, delineation of the Israeli-Lebanese border, a buffer zone in the south closed to all military forces except U.N. and Lebanese forces, and an arms embargo against weapons shipments to militias.

The language of the resolution came under debate, especially over the mandate of an international force. Discussions at the United Nations focused on the organization, composition, timing, and possible mandate of such a force. Lebanese and other Arab leaders complained that the resolution addressed Israeli rather than Lebanese needs. Lebanese officials complained in particular that the proposed resolution allowed Israeli forces to remain in southern Lebanon; a Lebanese minister said Lebanon would abide by the resolution only on condition that “no Israeli soldier remains inside Lebanese land.” The United States and France themselves differed over some of the terms that they had jointly drafted.

U.N. Security Council Resolution 1701

After extended discussion and debate, the U.N. Security Council on August 11, 2006, unanimously adopted as Resolution 1701 a revised U.S.-French resolution calling for a “full cessation of hostilities based upon, in particular, the immediate cessation by Hezbollah of all attacks and the immediate cessation by Israel of all offensive military operations.” Among the other terms of the resolution are expansion of the existing U.N. Interim Force in Lebanon (UNIFIL)²² from 2,000 to a maximum of 15,000; deployment of UNIFIL plus a Lebanese Army force²³ to southern Lebanon to monitor the cease-fire; withdrawal of Israeli forces in southern Lebanon “in parallel” with the deployment of U.N. and Lebanese forces to the south; a ban on delivery of weapons to “any entity or individual” in Lebanon, except the Lebanese Army. The resolution requests the U.N. Secretary General to develop proposals within 30 days for delineation of Lebanon’s international borders, including the

²² The United Nations Interim Force in Lebanon (UNIFIL) is a peacekeeping operation that has been in southern Lebanon since 1978. The mandate of the current force, consisting of approximately 1,990 troops, assisted by 50 military observers, was recently extended until August 31, 2006 by the Security Council. Critics of UNIFIL believe that its lack of manpower and inability to prevent attacks in Israel have hampered its overall effectiveness and that any new international peacekeeping deployment authorized by the Security Council should be larger and with a more robust mandate or concept of operations than UNIFIL. On July 24, 2006, four UNIFIL peacekeepers were killed in an errant Israeli airstrike.

²³ The Lebanese Prime Minister offered to deploy 15,000 military personnel. (See below.)

disputed Shib'a (Shebaa) Farms enclave. In preambular language, the resolution also emphasizes the need to address the issue of prisoners on both sides. The resolution also calls upon the international community to extend financial and humanitarian assistance to the Lebanese people, including facilitating safe return of displaced persons.

According to the U.N. Secretary-General, the agreement entered into force on August 14 at 5:00 a.m. GMT (8:00 a.m. in the region). The Secretary-General noted with satisfaction that the leaders of Israel and Lebanon had accepted the resolution. The Israeli cabinet voted on August 13, with one abstention, to approve the resolution; however, Israeli officials have qualified their position by saying that “defensive” military actions designed to prevent delivery of arms to Hezbollah or to remove unauthorized militias from southern Lebanon would be permissible even after the cease-fire goes into effect. The Lebanese cabinet, for its part, postponed a meeting scheduled for August 13 to consider enforcement of the resolution (including disarmament of Hezbollah), apparently reflecting divisions within the Lebanese government, which contains two Hezbollah cabinet ministers.²⁴ In this connection, both Hezbollah and the Israeli military carried out heavy attacks to improve their respective positions before the resolution went into effect.

Observers note that a number of factors will be key to the effectiveness of international peacekeeping force in southern Lebanon. Foremost is its acceptance by both Israel, Hezbollah, and the Lebanese population. Secondly, given the intensity of the situation and the potential for instances of armed resistance, the troops deployed must be well-trained and equipped, and prepared to respond confidently to instances of aggression. This would not be a “symbolic” or “presence” mission, particularly if disarming the Hezbollah militia is part of the mandate. Consequently, the so-called “rules of engagement,” which govern the range of military responses troops may employ, would be of great significance. Nations contributing to this international force also should be prepared to support their forces for what is likely to be a lengthy deployment. Currently, the focus for contributions to this international force has been on NATO nations, though with their on-going commitments to operations in Iraq and Afghanistan, available resources may be constrained for some.

Differing EU and U.S. Positions²⁵

Although European governments have condemned Hezbollah's kidnaping of Israeli soldiers as a provocation, most European governments believe that the United States is too close to Israel, to the detriment of any effort to end the conflict. Some European observers believe that the United States has lost its influence in the region due to the war in Iraq and to its support for Israel, which have complicated Washington's capacity to serve as an interlocutor with Arab governments.²⁶

²⁴ Steven Erlanger, “Cease-Fire Begins After a Day of Fierce Attacks,” *The New York Times*, August 14, 2006.

²⁵ This section was prepared by Paul Gallis, Specialist in European Affairs.

²⁶ Chris Patten, “While Bush and Blair fumble and fiddle, Beirut burns,” *Financial Times*, (continued...)

A conference gathering European governments, the United States, and some Arab governments in Rome on July 26 failed to reach a consensus on how to end the conflict. Arab and most European governments sought an immediate cease-fire. The United States and Britain wanted instead a “sustainable” cease-fire, preceded by a political settlement, interpreted by other European governments as a signal to Israel to continue to strike targets in Lebanon.²⁷ U.S. officials called for a multinational force in southern Lebanon as soon as a cease-fire can take hold, but offered few if any U.S. troops for such a force.

Some European governments, most notably France, then made proposals on their own for settling the conflict. Few European allies support the U.S. approach for an international force because they believe it would place their soldiers in the midst of the Israeli-Hezbollah conflict before a political settlement is in place. The French government presented a memorandum, subsequently elaborated by President Chirac and the foreign ministry, to end hostilities, reach a political settlement, and put in place an international force on the Israeli-Lebanese border. Paris captured these points in a draft resolution before the U.N. Security Council. The proposed sequencing of steps to put in place the multinational force included an immediate cease-fire; release by Hezbollah of Israeli prisoners; implementation of U.N.S.C. 1559, which returns full sovereignty to Lebanon and calls for the disarmament and disbandment of Hezbollah; the evacuation of the Shab'a Farms by Israel; and the deployment of an international force in southern Lebanon that would act in concert and support of Lebanese forces there, and a separate international force occupying the Shab'a Farms until an agreement can be reached settling their ownership.²⁸

The EU also has called for a cease-fire, and the release of Israeli soldiers held by Hezbollah and by Hamas. At the same time, the EU is calling on Israel not to resort to “disproportionate action” in response to the situation.²⁹ The EU position buttressed that of France by calling for an international force after a political settlement had been reached. On August 2, the European Union announced that it will provide 10 million euros (\$12.6 million) in aid to Lebanon to assist those displaced by the fighting.

Divisions between the European allies and the United States have emerged in an uncharacteristically public way. President Chirac and other European leaders have said repeatedly that “there is no military solution” to problems on Israel’s borders, while the Bush Administration has endorsed military action until there is a

²⁶ (...continued)

July 19, 2006, p. 13; Eric Leser, “Washington, en s’alignant sur Israël, a perdu son influence,” *Le Monde*, July 20, 2006, p.4.

²⁷ “Il y a deux cessez-le-feu à réaliser,” *Le Monde*, July 28, 2006 [interview with Italian Foreign Minister D’Alema].

²⁸ “Mémorandum de la France sur la crise israélo-libanaise,” July 27, 2006; Interview with President Chirac, *Le Monde*, July 26, 2006; press briefing, French embassy, Washington, July 28, 2006.

²⁹ Statement from EU Council meeting of July 17-18, 2006; “Liban: Les Pays De L’ue Ne S’entendent Pas Sur un ‘Cessez-le-feu Immédiat,’ *Le Monde*, Aug. 2, 2006.

“sustainable” political agreement. The Europeans are seeking to serve as a balancing factor between the Arabs and Israel, in part no doubt due to significant Muslim populations in many European states. Most European governments believe that the U.S. approach to terrorism has become too ideological and impractical to yield a solution. These Europeans condemn Hezbollah and Hamas as “extremists,” but they separate such regional groups from Al Qaeda, which, in contrast, in their view, is not interested in a political settlement of issues. These Europeans believe that the Bush Administration’s proclaimed “war on terror” puts all three groups into the same box, and sees their military defeat or annihilation as a prerequisite for Israeli security.

Whatever these differences, significant hurdles remain to fielding an international force in Lebanon. Most European governments do not believe that NATO, given U.S. leadership, would be acceptable to the Arab world as the core of an international force. Possible alternatives include an EU force or one led by France. Either the EU or France would face difficulties in organizing and leading such a force. Such a force would require a headquarters, experienced at assembling, commanding, and supplying troops; the Europeans lack experience in managing a force of the size and complexity likely necessary for Lebanon. Open questions include the following: With most European governments stretched by troop deployments in Afghanistan and the Balkans, from where would its soldiers come? While the mandate for an international force would be to secure borders under a U.N. imprimatur, what rules of engagement would it follow? For example, would it be prepared to engage, with force, Israeli incursions across the Lebanese border? Would the international force have the concurrence of the Lebanese army in suppressing Hezbollah elements that might still be active?

Arab Governments³⁰

Regional governments, particularly the Sunni Arab regimes of Egypt, Jordan, and Saudi Arabia, were initially critical of Hezbollah’s attack against Israel. Overall, these governments are largely suspicious of Iran’s growing influence in the region, particularly among Shiites, as King Abdullah of Jordan has publicly warned against the formation of a “Shiite crescent” extending from Iran to Iraq, Syria, and Lebanon. Nevertheless, Arab public opinion largely favors Hezbollah’s actions against Israel, making Arab governments anxious to bring about a quick resolution to the conflict with minimal Lebanese civilian casualties and damage to infrastructure. The moderate Sunni Arab regimes have called for an immediate cease-fire between Israel and Hezbollah, the deployment of international peacekeepers along the Israeli/Lebanese border, the deployment of the Lebanese army in southern Lebanon, and a prisoner exchange between the two sides.

Most Arab governments may have limited influence over the warring parties and may direct their efforts toward the United States in trying to secure its involvement in negotiations. Saudi Arabia may be one of the few countries who can use its vast financial resources to entice Syria to take a harder stance toward Hezbollah, though some analysts assert that the Syrian economy had already been benefitting from

³⁰ This section was prepared by Jeremy M. Sharp, Analyst in Middle East Policy.

increased Gulf investment and high oil prices before fighting broke out in Lebanon.³¹ Egypt continues to serve as an intermediary between Israel and Hamas, though it has considerably less influence with Syria to encourage a cease-fire in the north.

The Regional Dimension and Issues for U.S. Policy

Lebanon³²

In launching an attack on Israel beginning on July 12, Hezbollah has gambled that it will gain credit among Lebanese if Israel is perceived to back down under Hezbollah pressure. Hezbollah leaders recall that its reputation in Lebanon was enhanced when Israel withdrew unilaterally from southern Lebanon in May 2000 after Hezbollah inflicted mounting casualties on Israel troops in the area. On the other hand, as the conflict continues, mounting resentment of Hezbollah's actions in precipitating the crisis may cause a reaction against Hezbollah to set in. The strong reaction within Lebanon and elsewhere against Israel's retaliatory campaign in Lebanon, including bombing of the southern Lebanese village of Qana, resulting in the death of dozens of civilians including many children, suggests that Israel's campaign is uniting sentiment among the often fractious Lebanese and causing popular attitudes to harden. Hezbollah's chief, Shiite cleric Hassan Nasrallah, has acquired heroic status among many Lebanese for resisting the Israeli attacks. Prime Minister Fouad Siniora, no ally of Hezbollah, has proposed a 6-part peace plan which includes a provision to integrate the Hezbollah militia into the Lebanese Army, thereby facilitating the deployment of Lebanese Army units up to the Israeli border.

U.S. Concern for Lebanese Independence. The outbreak of large-scale fighting between Israel and Hezbollah and accompanying destruction of large parts of Lebanon's newly rebuilt infrastructure cast doubt on the future of U.S. support for Lebanon as the situation evolves. In a broader sense, the conflict jeopardizes not only the long-term stability of Lebanon but faces the Bush Administration with a basic dilemma. On one hand the Administration is sympathetic to Israeli military action against a terrorist organization; President Bush has spoken in favor of Israel's right of self-defense. On the other hand, the fighting deals a setback to Administration efforts to support the rebuilding of democratic institutions in Lebanon. As one commentator put it, "the two major agendas of his [Bush's] presidency — anti-terrorism and the promotion of democracy — are in danger of colliding with each other in Lebanon."³³

If Lebanon disintegrates through a return to communal civil strife or becomes closely aligned with a radicalized Syria or Iran, U.S. goals could be seriously

³¹ "Syria May be the Key to Peace," *Al Jazeera.net*, July 27, 2006.

³² The following section was prepared by Alfred Prados, Specialist in Middle Eastern Affairs.

³³ Michael Hirsh, "The Legacy On the Line," *Newsweek*, July 24, 2006, p. 30.

affected. The United States would lose a promising example of a modernizing, pluralist state moving toward a resumption of democratic life and economic reform and quite possibly face a return to the chaos that prevailed in Lebanon during the 15-year civil war. Such conditions would be likely to foster terrorism, unrest on Israel's border, and other forms of regional instability. Alternatively, the growth of Syrian or Iranian influence or some combination could strengthen regional voices supporting extremist and likely anti-Western views associated with clerical regimes (Iran), totalitarian models (Syria), or a militant stance toward Israel, quite possibly resulting in some type of costly U.S. regional involvement to protect allies or maintain stability.

Consequently, on July 28, after the latest fighting had begun, a State Department official announced that the Administration is requesting an additional \$10 million in military aid to help prepare the Lebanese Army, in conjunction with international forces, to deploy up to the Israeli-Lebanese border in the future. The U.S. Administration has also provided some humanitarian aid since the crisis began.

Syria³⁴

Syrian Support for Hezbollah. Syria has emerged as a key, if indirect, actor in the current crisis, primarily though its role as a source and conduit for the delivery of rockets and other Iranian weaponry to Hezbollah units in southern Lebanon; some believe Syria is shipping weapons from its own inventories to Hezbollah as well. The Lebanese civil war of 1975-1990 gave Syria an opportunity for the first time to station troops in Lebanon, until it was forced to withdraw in April 2005 by a popular outcry in Lebanon over alleged Syrian complicity in the murder of former Lebanese Prime Minister Rafiq Hariri. At the time, many observers interpreted the Syrian withdrawal and subsequent election of an anti-Syrian majority in the Lebanese parliament as a major setback for Syria's ambitions in the region, and some even predicted that the Syrian regime of President Bashar al-Assad might have been seriously weakened in backing down under external pressure. However, Syria retained some assets in Lebanon, particularly the militant Shiite Muslim organization Hezbollah, which refused to relinquish its arms and continued to support Syria's agenda by periodically attacking Israeli military positions near the Israeli-Lebanese border.

Syrian support for Hezbollah is facilitated by long-standing ties between the Syria and Iran, which helped create Hezbollah in the 1980s. This association has long troubled U.S. policy makers, who see the two countries as reinforcing each other in supporting terrorism and interfering in Lebanon. According to news stories, Hezbollah leader Sheikh Hassan Nasrallah visited Syrian President Bashar al-Assad on July 27, reportedly to discuss resupply of Hezbollah units. The reports did quote Nasrallah as saying that Hezbollah would not accept any "humiliating" conditions for a cease-fire in Lebanon. Also, according to the reports, a senior Iranian security official was in Damascus but it was not clear whether or not he met with Nasrallah and Asad.

³⁴ This section was prepared by Alfred Prados, Specialist in Middle Eastern Affairs.

Many commentators believe Syria's re-supply activity on behalf of Hezbollah was an important factor in encouraging Hezbollah leaders to initiate large-scale border and rocket attacks against Israel on July 12. In doing so, Syria achieves two goals. First, Syria's actions help forestall any move by the small Lebanese army to replace Hezbollah units near the Israeli-Lebanese border and help ensure that Lebanon will be unable to make an independent peace with Israel without Syrian participation. Second, Syria's policy strengthens the view in some Lebanese circles that the departure of Syrian troops has led to stalemate and ultimately to nation-wide devastation. At the same time, the current situation complicates any effort by the United States to effect a "regime behavior change" along the lines of Libya and increases the possibility that the United States, after shunning Syria for several years, may have to deal with Damascus at some point in an effort to contain escalating violence. Observers have noted that "Syria appears anxious to reassert its claim as a crucial guarantor of stability in the Middle East." So far, by employing Hezbollah as a proxy against Israel, Syrian policy has appeared to reap benefits without incurring any retaliatory attacks on Syrian territory. Some observers have suggested, however, that Syria's leadership is playing a dangerous game that could lead to reprisals against Syria itself.³⁵

U.S. Policy Toward Syria During the Conflict. Since the outbreak of fighting, U.S. officials have increased their criticism of Syria's political and logistical support for Hezbollah. On July 22, President Bush commented that "[f]or many years, Syria has been a primary sponsor of Hezbollah and it has helped provide Hezbollah with shipments of Iranian-made weapons."³⁶ Secretary of State Condoleezza Rice, speaking to reporters on July 26, rejected comments that the United States and Syria lack diplomatic channels for communication, pointing out that there are existing diplomatic channels that can be used when Syrian leaders are ready to talk. On his side, Syrian Ambassador to the United States Imad Moustapha told Associated Press in comments reported on July 27 that there has been "not a single contact" by the U.S. Government with Syria since the fighting began. Another Syrian official commented that "Syria is not going to help while it is being isolated and President Bush is attacking Syria all the time." In another vein, Syrian officials have pointed out that Syria has accommodated the United States by issuing large numbers of visas to Americans fleeing from Lebanon via Syria for evacuation to the United States and has opened its doors to other groups of refugees from Lebanon as well.

More broadly, Secretary Rice has signaled that the United States will not accept a resumption of Syria's former influential role in Lebanon. She was quoted by *Reuters News Wire* on July 26 as saying that Syria should not be allowed to return to Lebanon and influence events there, and neither should Iran. She warned Syria and Iran not to "torpedo" any attempts to stop the fighting between Hezbollah and Israeli forces and expressed the hope that the two countries would "behave responsibly." Subsequently, on July 28, Israeli Minister of Defense Amir Peretz commented that "we have no intention of an offensive toward Syria" but warned that "[w]e hope

³⁵ Kim Murphy, "Crisis May Put Syria Back In Political Mix," *Los Angeles Times*, July 18, 2006.

³⁶ "Rice Rejects Cease-Fire As Mideast Quick Fix," Dow Jones News Wire, July 22, 2006.

Hezbollah does not drag Damascus into the conflict.” On July 30, in his first public comment on the recent fighting in Lebanon, Syrian President Bashar al-Assad described the Israeli strikes on the southern Lebanese village of Qana as “state terrorism” and added that “[t]he Syrian people are ready to offer anything that might support, help and bolster Lebanon.”

Iran³⁷

Iran’s Relationship to Hezbollah. Iran maintains a relationship with Lebanese Hezbollah that could be described as patron-client, or mentor and protégé. In the current crisis, Iranian leaders appear to want Hezbollah’s popularity in Lebanon to increase as a steadfast opponent of Israeli hegemony, but Iranian strategists also reportedly are wary that Hezbollah might be damaged militarily by Israel and less able to act against Israel in the future. Many Iranian leaders see Hezbollah as an outgrowth of the 1979 Islamic revolution, and U.S. experts have long assumed that Iran would expend substantial resources and take significant risks to boost Hezbollah’s prospects. Others see Hezbollah as a surrogate with which Iran can strike at and weaken Israel, and strengthen Iran’s credentials as a hardline, rejectionist Muslim state. Hezbollah was formed in 1982 by Lebanese Shiite clerics sympathetic to Iran’s Islamic revolution, some of whom had studied under Iran’s revolutionary leader, the late Ayatollah Ruhollah Khomeini, when Khomeini was in exile in Najaf, Iraq (1963-1978).

On the other hand, Hezbollah has matured as a political movement, and many no longer see Iran as directing Hezbollah, as it did in the 1980s. At the height of Iran’s influence over Hezbollah, it had about 2,000 Revolutionary Guard forces in Lebanon, advising and training Hezbollah’s militia and coordinating arms shipments to it. After Israel’s 2000 withdrawal from south Lebanon, the number of Guard advisers fell to less than 50, according to a *Washington Post* report of April 13, 2005. During the 1980s and 1990s, U.S. officials said Iran was giving Hezbollah about \$100 million per year in financial assistance, but that assistance apparently has transitioned to in-kind provisions of arms and humanitarian projects.³⁸ Iranian arms flows to Hezbollah have continued in recent years. The method of transfer, by all accounts, have been Iranian cargo flights, off-loaded at Damascus airport and trucked into Lebanon for delivery to Hezbollah.

U.S. Efforts to Contain Iran. Well before the recent crisis between Israel and Hezbollah, the Administration’s “National Security Strategy” document, released on March 16, 2006, said the United States “may face no greater challenge from a single country than Iran.” This assessment is largely based on the apparent acceleration of Iran’s nuclear program, which the Administration believes is intended to achieve a

³⁷ This section prepared by Kenneth Katzman, Specialist in Middle Eastern Affairs, on August 3, 2006. For more information, see CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

³⁸ Hezbollah reportedly receives millions in donations from overseas supporters, from various criminal operations, and from Lebanese Shiite businessmen. It also generates revenue from Hezbollah-owned businesses in Lebanon.

nuclear weapons capability. Hezbollah's receipt of funding, training, and weapons from Iran is likely to solidify the Administration's view of Iran.

To date, the Bush Administration has pursued several avenues in attempting to contain Iran — to prevent it from building weapons of mass destruction (WMD) or from generating revenues that can be used to fund terrorist groups such as Hezbollah. The Bush Administration also is supporting a long-term policy of changing Iran's regime by providing funds to pro-democracy and human rights activists inside and outside Iran. However, the near-term Administration focus is on attempting to prevent any Iranian nuclear weapons breakthrough. As part of that effort, the Bush Administration announced on May 31, 2006 that it would negotiate with Iran in concert with U.S. allies; in past years the Bush Administration had only limited dialogue with Iran. The U.S. offer of talks is predicated on Iran accepting a package of incentives and disincentives, presented to Iran on July 6 by the permanent U.N. Security Council members plus Germany, if Iran suspends its uranium enrichment efforts. Iran has not accepted that offer to date, and, on July 31, 2006, the U.N. Security Council passed Resolution 1696, demanding that Iran suspend uranium enrichment activities by August 31, 2006 or face possible U.N. sanctions.

To date, the United States is the only country that has strict economic sanctions on Iran, including a ban on U.S. trade with and investment in that country. Pending legislation (H.R. 282, S. 333, and S. 2657) would renew or tighten a law that sanctions foreign investment in Iran's energy sector (Iran-Libya Sanctions Act or ILSA). To avoid allowing ILSA to lapse while the bills cited above are under consideration, both chambers have passed H.R. 5877 that extends ILSA until September 29, 2006. It has been presented to the President. If diplomacy and international sanctions do not succeed, some advocate military action against Iran's nuclear infrastructure rather than acquiescence to a nuclear-armed Iran.

Iraq³⁹

Iraq's post-Saddam political structure is dominated by Shiite Islamists who share common ideological roots with those of Hezbollah. As a result, senior Iraqi figures, including Prime Minister Nuri al-Maliki, the undisputed Shiite leader Ayatollah Ali al-Sistani, and powerful radical Shiite faction leader Moqtada al-Sadr have all expressed support for Hezbollah in the current conflict. Maliki's comments, in particular — he said on July 24, 2006 that Israeli raids on civilian targets constitute a "violation of all the laws of war" — complicated his visit to Washington DC during July 25-26, 2006.⁴⁰ During his visit, some Members of Congress called on him to condemn the Hezbollah provocation that began the crisis, and questioned whether his government could be a reliable partner in the global war on terrorism. Sistani, followed by most Iraqi Shiites and by many Shiites in Lebanon as well, issued a pronouncement on July 31, 2006 threatening unspecified "dire consequences" if an

³⁹ Prepared by Kenneth Katzman, Specialist in Middle Eastern Affairs, on August 3, 2006. See also CRS Report RL31339, *Iraq: Post-Saddam Governance and Security*, by Kenneth Katzman.

⁴⁰ Strange, Hannah. "Mideast Crisis 'Threatening Iraq': Maliki." *United Press International*, July 24, 2006.

immediate cease-fire to stop “this Israeli aggression on Lebanon” is not imposed. The faction of Moqtada al-Sadr, which fields a militia called the “Mahdi Army,” said it was forming a group of 1,500 fighters to go to Lebanon to help Hezbollah. On the other hand, Iraqi leaders are wrestling with continuing Sunni-led insurgency and growing Sunni-Shiite sectarian violence, and many view their positions on Lebanon as more rhetorical than operational.

Regional Reactions: The Moderate Arab States⁴¹

Public responses to the Gaza-Israel-Lebanon crisis in the Arab and wider Islamic world have featured a number of convergent and divergent themes. The most common theme emanating from the region has been the expression of concern for the well-being of civilian populations in Lebanon and the Gaza Strip and the expression of anger over perceived and alleged disproportionate use of force by the Israeli military. Regional media sources have characterized the United States as politically and materially supportive of Israel’s actions, and some parties have alleged that the U.S. government is complicit in the deaths of Palestinian and Lebanese civilians. Following an Israeli military strike on the Lebanese village of Qana in which a number of Lebanese civilians were killed, Arab media has increasingly featured commentary characterizing Israel’s military operations as war crimes. Other themes have highlighted the negative roles of Iran and Syria as state sponsors of Hezbollah’s terrorist activities and have identified leaders in those two countries as responsible for the dangerous escalation of the conflict as well as ultimately culpable for the deaths of civilians on all sides.

Other public considerations of the crisis in the region have focused on possible signs of an emerging rivalry between Shiite and Sunni powers in the Middle East, particularly between Iran, supported by Alawite-led Syria, and the traditional leaders of the Sunni Arab states, Egypt, Jordan, and Saudi Arabia. Officials from these countries criticized Hezbollah’s “unexpected, inappropriate and irresponsible acts” at an emergency Arab League meeting on July 15. Yemen, Algeria, Syria, and Lebanon disagreed, however, and Yemen called for severing all Arab ties with Israel. Significant attention has been focused on the public positions outlined by King Abdullah of Saudi Arabia, the Saudi Foreign Minister Prince Saud Al Faisal, and unnamed Saudi officials who have identified Hezbollah and those “behind its back” as responsible for the current crisis. They also have characterized Hezbollah’s actions as “uncalculated adventures” that are distinct from “legitimate resistance” to Israel’s occupation of the West Bank and Gaza Strip.

The critical statements from Saudi leaders and other Arab leaders have been interpreted as reflective of the perspective of sovereign national governments suffering from terrorist attacks on their own territory and disturbed by the precedent potentially set by Hamas and Hezbollah’s actions - the permissibility of armed, non-state Islamist actors initiating massive conflict with other states without the approval or support of their national governments. At the same time, leaders of most Arab states have spoken out against what some of them have publicly characterized as “the war being launched by Israel on Lebanon, its people, economy and infrastructure” in

⁴¹ This section was prepared by Christopher Blanchard, Middle East Policy Analyst.

order to balance their criticism of Hezbollah and its supporters with statements expressing criticism of Israel and concern for Arab civilians. The Saudi government, in particular, has adapted its public statements significantly to reflect growing condemnation of Israel's military campaign and criticism of the United States and others for their refusal to support an immediate cease-fire.⁴² Support for Lebanon and the Palestinian Authority also has moved beyond rhetoric: Kuwait and Saudi Arabia have announced over \$2 billion in donations to support the Lebanese and Palestinian governments, and numerous bank accounts have been established to collect donations from other governments and concerned individuals in a number of Arab countries.⁴³

Role of Congress

Legislation, Foreign Assistance, Sanctions, and Equipment Use Restrictions

Congress has engaged and may continue to engage in U.S. efforts to resolve crises in the Middle East using three distinct legislative tools: the appropriation of foreign assistance, the passage of sanctions legislation, and the exercise of oversight regarding legal restrictions on the use of U.S. military assistance by foreign recipients. The United States has longstanding aid programs to countries in the Middle East, including (among others) Israel, Lebanon, and since 1993, the Palestinian Authority. Foreign assistance has been used to promote the peace process, spur economic development, and in the case of Israel, to strengthen its defense capabilities through military assistance. Syria, Iran, Hamas, and Hezbollah — the states and entities that Congress has noted for aggression against Israel, support for terrorism, or terrorist activities in the current crises — are currently subject to fairly comprehensive U.S. economic sanctions. In accordance with the Arms Export Control Act (AECA), the U.S. Government places conditions on the use of defense articles and defense services transferred by it to foreign recipients. Violation of these conditions, when identified by the executive branch, can lead to the suspension of deliveries or termination of the contracts for such defense items, among other things. Israeli military activities have come under scrutiny pursuant to the AECA in the past (see below).

⁴² See CRS Report RL33533, *Saudi Arabia: Current Issues and U.S. Relations*. Saudi Press Agency (Riyadh) "King Abdullah chairs Cabinet's session," July 17, 2006; "Saudi Arabia's Royal Court Issues Statement On Situation in Lebanon," *al-Ikhbariyah Satellite Channel* (Riyadh), OSC Document FEA20060725025650, July 25, 2006; Saudi Press Agency, "King Abdullah Chairs Cabinet Session," July 31, 2006; Prince Turki al-Faisal, Remarks to the New American Foundation, Washington, D.C., July 31, 2006.

⁴³ *Kuwait News Agency*, "Kuwait Announces USD 500 Million Deposit in Lebanon Central Bank," July 30, 2006; Khalid Al-Zaid, "Kuwait Offers USD 45 Million for Palestinian Authority's Budget," *Kuwait News Agency*, August 3, 2006; Andrew Hammond, "Saudi says Israel Attacks Threaten Wider War," *Reuters*, July 25, 2006; *Reuters*, "Details of aid to Lebanon," August 2, 2006.

Recent Legislation.⁴⁴ In response to the current crisis, Congress took swift steps to express its support of Israel and that country’s “right to take appropriate action to deter aggression by terrorist groups and their state sponsors,” and to urge “the President to continue fulling supporting Israel as Israel exercises its right of self-defense in Lebanon and Gaza.”⁴⁵ Some Members of Congress have called on the President to appeal to all parties for an immediate cessation of violence, to commit to multi-party negotiations, and have expressed support for an international peacekeeping mission in southern Lebanon.⁴⁶ Others have called for “the cessation of targeting...of infrastructure vital to non-combatants”; establishment of “a secure humanitarian corridor” for purposes of evacuation and transporting of food and medicine to the civilian population; an immediate cease-fire; and a “comprehensive and just solution”.⁴⁷ Finally, one House resolution calls on the President to appoint a Special Envoy for Middle East Peace.⁴⁸

Congress and Evacuation Costs for U.S. Citizens. In the early stages of U.S. government-supported evacuations of Americans from Lebanon, the State Department required evacuees to sign promissory notes to assume financial liability of the costs of their evacuation. Several Members of Congress objected to this, noting that the law is ambiguous at best, and called on the U.S. Secretary of State to waive the statutory requirements for reimbursement.⁴⁹ On July 18, 2006, after the Secretary

⁴⁴ The following section was prepared by Dianne Rennack, Specialist in Foreign Policy Legislation.

⁴⁵ S.Res. 534, *Resolved* clauses (1), (2), and (3). Generally, all the resolutions introduced on July 18 and 19, 2006. contained similar language. Since the current crisis has emerged, to date, Congress has received 5 resolutions, and has voted on two. S.Res. 534, introduced on July 18, 2006, by Senator Frist and others, was considered and agreed to by voice vote the same day; *Congressional Record* of July 18, 2006, S7766-7767, and S7692-7694. H.Res. 921, introduced on July 18, 2006, by Representative Boehner and others, was considered and agreed to on July 20, 2006, by a vote of 410 — 8 (with four voting “present”). H.Res. 922, introduced on July 18, 2006, by Representative Ackerman and others; H.Res. 923, introduced on July 18, 2006, by Representative Shaw; and H.Res. 926, introduced on July 19, 2006, by Representative Issa were each referred to the Committee on International Relations. It was reported that some Members drafted a resolution that would have cast Lebanon’s responsibility differently than those resolutions agreed to, and would have called for restrain from all sides. See Flaherty, Anne Plummer. “House on Track to Voice Support for Israel’s Military Campaign in Lebanon,” *Associated Press*, July 20, 2006. By contrast, S.Res. 534 “urges all sides to protect innocent civilian life and infrastructure...”. H.Res. 921 “recognizes Israel’s longstanding commitment to minimizing civilian loss and welcomes Israel’s continued efforts to prevent civilian casualties”.

⁴⁶ H.Con.Res. 450, introduced on July 19, 2006, by Representative Kucinich and others, referred to Committee on International Relations.

⁴⁷ H.Res. 945, introduced on July 25, 2006, by Representative Jackson-Lee and others, referred to Committee on International Relations.

⁴⁸ H.Res. 954, introduced on July 26, 2006, by Representative Leach, referred to Committee on International Relations.

⁴⁹ § 4(b)(2)(A) of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2671), authorizes the Secretary of State to expend funds to evacuate “U.S. citizens
(continued...)

of State consulted with some Members, the State Department announced that such fees would be waived. Congress has before it legislative proposals that authorize the Secretary of State to redistribute funds within the State Department's budget to cover the costs of evacuations, permanently change the statutory basis under which the State Department requests reimbursements, or replenish funds in the budget of the Department of Health and Human Services that are expended once evacuees have returned to the United States.⁵⁰

U.S. Foreign Assistance.⁵¹ The United States has longstanding aid programs to countries in the Middle East, including (among others) Israel, Lebanon, and since 1993, the Palestinian Authority. Foreign assistance has been used to promote the peace process, spur economic development, and in the case of Israel, to strengthen its defense capabilities through military assistance.

- Israel.⁵² Since 1949, the United States has provided more than \$96 billion in various forms of assistance to Israel, and it is the largest annual recipient of U.S. aid, outside of current operations in Iraq. Israel receives various types of assistance, the two largest being Economic Support Fund (ESF) and Foreign Military Financing (FMF). ESF, totaling an estimated \$237.6 million in FY2006, can be used in a number of ways to support Israel's economy. FMF, totaling an estimated \$2.26 billion in FY2006 and expected to reach \$2.4 billion by FY2008, is used for defense purchases, 75% of which is used to purchase U.S. manufactured defense articles. During the current conflict, the United States has reportedly accelerated deliveries of Israeli-purchased precision-guided bombs and jet fuel.

⁴⁹ (...continued)

or third-country nationals, on a reimbursable basis to the maximum extent practicable" "when their lives are endangered by war, civil unrest, or natural disaster".

⁵⁰ Related to the State Department's authority to require reimbursement: H.R. 5828, introduced July 18, 2006, by Representative Dingell, referred to the Committee on International Relations, amends the State Department Basic Authorities Act of 1956 to remove the reimbursement requirement from permanent law. S. 3690, introduced July 19, 2006, by Senator Stabenow, referred to the Committee on Foreign Relations, authorizes the Secretary of State to cover the costs of evacuation related to the Israel-Hezbollah crisis without amending the underlying statute. S. 3741, introduced by Senator Lugar and others on July 26, 2006, and agreed to by Unanimous Consent, authorizes the Secretary of State to move funds from one account to another to cover the costs of evacuations. Two measures introduced on July 24, 2006 — H.R. 5865 and H.R. 5869 — amend the Social Security Act to increase near-term funding for assistance to newly evacuated U.S. citizens. H.R. 5865, introduced by Representative Thomas, and referred to the Committee on Ways and Means, has been agreed to by both chambers by voice vote (in the House) or unanimous consent (in the Senate, with an amendment). H.R. 5869, introduced by Representative McDermott and others, was referred to the Committee on Ways and Means.

⁵¹ This section was prepared by Connie Veillette, Analyst in Foreign Policy.

⁵² For more information, see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp, and CRS Report RL32260, *U.S. Foreign Assistance to the Middle East: Historical Background, Recent Trends, and the FY2007 Request*, also by Jeremy M. Sharp.

On August 1, 2006, the *London Times* reported that Israel has more than \$4 billion in outstanding credit and undelivered orders with American defense contractors.⁵³

- Lebanon:⁵⁴ The United States provides modest amounts of assistance to Lebanon. Annual funding for Lebanon has been maintained at roughly \$35 to \$40 million since FY2001.⁵⁵ ESF funding in FY2006 is an estimated \$40 million, with \$36 million proposed for FY2007. FMF grants are an estimated \$1 million in FY2006, but the FY2007 request is \$4.8 million. According to DefenseNews.com, “The United States has renewed its promise of military aid to Lebanon with more concentration on improving Internal Security Forces (ISF) to reduce the burden imposed on the Lebanese Armed Forces (LAF) and bolstering Lebanon’s capabilities to deal with internal threats.”⁵⁶ Lebanese leaders have estimated that damage to the country’s infrastructure from the Israeli bombing campaign could be as high as \$2 billion. It is conceivable that the United States may be called upon to increase future assistance to Lebanon to help with rebuilding. The United States has already pledged \$30 million in immediate humanitarian aid. The European Union announced more than \$50 million, while Saudi Arabia has committed to \$50 million in immediate assistance and \$500 million for reconstruction.
- Palestinian Authority:⁵⁷ Since the signing of the Oslo Accord in 1993, the United States has provided more than \$1.8 billion in economic assistance to the Palestinians, but with the formation of the Hamas-led government in March 2006, the United States has withheld both direct and indirect foreign aid to the Palestinians. For FY2006, Congress appropriated \$150 million in Economic Support Funds, which has now been suspended. The FY2007 House-passed Foreign Operations Appropriations Act provides no funding.

⁵³ “Israel Awaits Delivery Of \$4.2Bn In Weaponry From US Defence Firms,” *London Times*, August 1, 2006.

⁵⁴ See also CRS Report RL33509, *Lebanon*, by Alfred B. Prados.

⁵⁵ For FY2003, Congress directed that \$10 million in assistance could not be obligated until the President certified that the Lebanese Armed Forces had deployed to the internationally recognized border with Israel, and that Lebanon was asserting its authority over the border area. The provision was meant to compel Lebanon to exercise control of the border area that was controlled by Hezbollah forces. Lebanon had resisted moving into the area until Israel evacuated the disputed Shib'a Farms area. The funds were released in March 2004 after negotiations among the United States, Israel and Lebanon.

⁵⁶ “U.S. Pledges More Aid to Lebanon in 2007, *DefenseNews.com*, July 10, 2006.

⁵⁷ For more information, see CRS Report RS22370, *U.S. Foreign Aid to the Palestinians*, by Jeremy M. Sharp and Christopher M. Blanchard.

Sanctions.⁵⁸ Syria, Iran, Hamas, and Hezbollah — the states and entities that Congress has noted for aggression against Israel, support for terrorism, or terrorist activities in the current crises — are currently subject to fairly comprehensive U.S. economic sanctions. The Secretary of State designated Syria and Iran as state sponsors of acts of international terrorism, in 1979 and 1984 respectively, thus triggering a myriad of statutorily required restrictions and prohibitions on aid, non-emergency agricultural aid, trade, support in the international banks, and other economic transactions.⁵⁹ Such a designation generally triggers a prohibition on all but the most basic of humanitarian exchanges.⁶⁰ Please see Appendix C for detailed information on sanctions.

Restrictions on the Use of U.S. Supplied Military Equipment.⁶¹ Some critics of U.S. policy in the Middle East raise questions regarding the use of U.S.-supplied military equipment to Israel during times of heightened Arab-Israeli conflict in the region. In accordance with United States law, the U.S. Government places conditions on the use of defense articles and defense services transferred by it to foreign recipients. Section 4 of the Arms Export Control Act states that U.S. defense articles and defense services shall be sold to friendly countries “solely” for use in

⁵⁸ For more detail on U.S. economic sanctions imposed on Iran, see CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman. For Syria, see CRS Report RL33487, *Syria: U.S. Relations and Bilateral Issues*, by Alfred B. Prados.

⁵⁹ § 6(j) of the Export Administration Act of 1979 (P.L. 96-72; 50 U.S.C. 2405(j)), under which the state sponsor of acts of international terrorism designation is made, authorizes the curtailment of commercial trade in dual-use goods and technology to named countries. § 620A of the Foreign Assistance Act of 1961 (P.L. 87-195; 22 U.S.C. 2371) prohibits most foreign aid, non-emergency agricultural aid, peace corps programs, or Export-Import Bank funding to designated countries. § 40 of the Arms Export Control Act (P.L. 90-629; 22 U.S.C. 2780) prohibits government sales or leases of defense goods or defense services to named countries. § 505 of the International Security and Development Cooperation Act of 1985 (P.L. 99-83; 22 U.S.C. 2349aa-9) authorizes the President to ban the importation of goods and services from any state found to support acts of international terrorism. § 1621 of the International Financial Institutions Act (P.L. 95-118; 22 U.S.C. 262p-4q), § 6 of the Bretton Woods Agreements Act amendments, 1978 (P.L. 95-435; 22 U.S.C. 286e-11) each state similar prohibitions relating to international bank programs. § 502(b)(2)(F) of the Trade Act of 1974 (P.L. 93-618; 19 U.S.C. 2462) requires the withholding of favorable trade terms with cited countries. Annual foreign operations appropriations measures usually restrict or prohibit most forms of aid to designated countries. Other legislation prohibits certain transactions with countries found to be not cooperating with U.S. antiterrorism efforts, and still other legislation prohibits or curtails economic relations with third countries that aid terrorist-designated states.

⁶⁰ Some trade, albeit highly restricted, is allowed with Iran and Syria. U.S. exporters may, for example, market agricultural commodities, medicines, and medical supplies to countries designated as supporters of international terrorism under terms of the Trade Sanctions Reform Act of 2000 (P.L. 106-387; 22 U.S.C. 7201 *et seq.*). Suppliers may provide spare parts related to civil air safety. U.S. persons may import and export informational material and propaganda. And since 2000, in an attempt through trade diplomacy to open relations with Iran, one may import nuts, dried fruit, caviar, and carpets from that country.

⁶¹ For more detailed information, see CRS Report RL30982, *U.S. Defense Articles and Services Supplied to Foreign Recipients: Restrictions on their Use*, by Richard F. Grimmett.

“internal security,” for use in “legitimate self-defense,” to enable the recipient to participate in “regional or collective arrangements or measures consistent with the Charter of the United Nations,” to enable the recipient to participate in “collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security,” and to enable the foreign military forces “in less developed countries to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries.”

Questions raised regarding the use of U.S.-supplied military equipment by Israel in Lebanon in June and July 1982 led the Reagan Administration to determine on July 15, 1982, that Israel “may” have violated its July 23, 1952, Mutual Defense Assistance Agreement with the United States (TIAS 2675). Concerns centered on whether or not Israel had used U.S.-supplied anti-personnel cluster bombs against civilian targets during its military operations in Lebanon and the siege of Beirut. The pertinent segment of that 1952 agreement between Israel and the United States reads as follows:

The Government of Israel assures the United States Government that such equipment, materials, or services as may be acquired from the United States ... are required for and will be used solely to maintain its internal security, its legitimate self defense, or to permit it to participate in the defense of the area of which it is a part, or in United Nations collective security arrangements and measures, and that it will not undertake any act of aggression against any other state.

None of the critical terms such as “internal security,” “legitimate self-defense,” or “act of aggression” is defined within this 1952 U.S.-Israeli agreement. On July 19, 1982, the Reagan Administration announced that it would prohibit new exports of cluster bombs to Israel. This prohibition was lifted in November 1988. In light of the Israeli attack on the Iraqi nuclear reactor on June 7, 1981, Secretary of State Alexander M. Haig, Jr., reported to Congress on June 10, 1981, that the Israeli use of American-supplied military equipment in this raid “may” have constituted a substantial violation of the applicable 1952 U.S.-Israeli agreement. The President chose to exercise the authority set forth in sections 2 (b) and 42(e)(1) of the Arms Export Control Act to suspend “for the time being” the shipment of F-16 aircraft scheduled for delivery to Israel. However, on August 17, 1981, the Reagan Administration lifted its suspension on deliveries to Israel and all of the planes were transferred. On two other occasions — April 5, 1978, and August 7, 1979 — the Carter Administration stated that the Israelis “may” have violated their 1952 agreement with the United States through the use of American-origin military equipment in operations conducted in Lebanon. However, the U.S. did not suspend or terminate any Israeli arms sales, credits, or deliveries in either of these cases.

In two instances, questions concerning the improper use by Israel of U.S. weapons were raised, but the President concluded that a violation of the agreement regarding use of U.S. supplied equipment did not occur. On October 1, 1985, Israel used U.S.-supplied aircraft to bomb Palestine Liberation Organization (PLO) headquarters in Tunis, Tunisia. The Reagan Administration subsequently stated that the Israeli raid was “understandable as an expression of self-defense,” although the bombing itself “cannot be condoned.” On July 14, 1976, following the Israeli rescue

mission at Entebbe, Uganda in early July 1976, the Department of State declared that Israel's use of U.S.-supplied military equipment during that operation was in accordance with the 1952 U.S.-Israeli agreement.

Implications

Prospects for a Regional War⁶²

With Israel fighting what amounts to a two-front war in the Gaza Strip and Lebanon against two non-state actors, the possibility of a third front opening up may depend largely on whether or not the fighting spreads to Syria. After several weeks of fighting, neither Israel nor Syria has indicated any willingness to see the conflict expand, though Syrian President Bashar al-Assad placed his military on high alert following Israeli air and ground maneuvers close to the Syrian border. Syria would be at a major technological and operational disadvantage to the more advanced Israeli military in a potential confrontation. Israel also wants to contain the fighting to southern Lebanon, though it is concerned that Syria may continue to allow the re-supply of Hezbollah over its borders.

So far, there have been no reports of foreign fighters joining Hezbollah in southern Lebanon and protests around the region have been limited and contained by local authorities. However, many Lebanese continue to worry over the prospect of renewed sectarian conflict in Lebanon itself. Hezbollah's unilateral decision to attack Israel, dragging the whole of Lebanon into a conflict many groups did not desire, may lead to the arming of factions politically opposed to Hezbollah. According to Michael Young, commentator in the Lebanese newspaper *The Daily Star*, "When the diverse religious communities decide the problem is that one side has the weapons while the others have nothing but a choice to remain silent, Lebanon will break down, and it could do so violently."⁶³

U.S. Homeland Security⁶⁴

Hezbollah: Assessing Capabilities and Intent. Hezbollah has a history of attacking U.S. personnel and interests overseas; however, it has never claimed to have carried out a terrorist attack in the United States.⁶⁵ The Administration believes

⁶² This section was prepared by Jeremy M. Sharp, Analyst in Middle East Policy.

⁶³ "The Meaning of a Hezbollah Victory," *The Daily Star (Beirut)*, July 20, 2006.

⁶⁴ This section was prepared by John Rollins, Specialist in Terrorism and International Crime.

⁶⁵ It should be noted past activities are not indicative of future actions. Al Qaeda, prior to the attacks on the homeland of September 11, 2001, frequently attacked U.S. facilities and personnel located overseas. There is little understanding of the types of actions undertaken by the U.S. or Israel that would precipitate a terrorist attack on the U.S. homeland from Hezbollah. Some analysts assert that should the current situation in the Middle East directly threaten Iran's sense of security or if Hezbollah is significantly degraded in its ability to (continued...)

that Hezbollah has a presence in the United States and “has the capability to strike inside the United States.”⁶⁶ The U.S. government’s assessments of Hezbollah’s intent to attack inside the United States have been more nuanced. In a January 2005 multi-year planning document authored by the Department of Homeland Security (DHS), the Administration concluded that Hezbollah is unlikely to attack the U.S. homeland. However, in February 2006, Director of National Intelligence Negroponte testified during the Annual Threat Assessment Briefing to the Senate Select Committee on Intelligence that “Hezbollah, while focused on its agenda in Lebanon, has a worldwide support network and is capable of attacks against U.S. interests if it feels its Iranian patron is threatened.” On July 16, 2006, the DHS and FBI issued a joint threat bulletin stating that although there was no specific or credible information suggesting an imminent terrorist threat to the United States.

Hezbollah has concentrated its efforts on actions that provide financial support to overseas operations and further the establishment of its presence in the United States. In recent years, a number of individuals suspected of belonging to and supporting U.S.-based Hezbollah cells have been arrested and charged with crimes ranging from credit card scams, trafficking in cigarettes, money laundering, evading immigration laws, loan fraud, and the purchase of dual use technology equipment. In March, 2006, Federal Bureau of Investigation (FBI) Director Mueller announced that Hezbollah had succeeded in smuggling some operatives across the Mexican border into the United States. He further noted “this was an occasion on which Hezbollah operatives were assisting others with some association with Hezbollah in coming into the United States.” The Director testified that this particular Hezbollah effort was dismantled and the individuals that had been smuggled in were identified.⁶⁷ Though the disruption of this group’s effort was heralded as good news, some analysts are concerned that other Hezbollah human and material smuggling efforts may not have been detected.

Media reports indicate that in response to the recent military operations between Israel and Lebanese Hezbollah, the FBI has increased surveillance and is re-energizing investigations of known and suspected Hezbollah agents and supporters residing in the United States. Some national security observers also note that the FBI is working with local law enforcement and community leaders in hopes of identifying individuals that may undertake criminal actions as a sign of sympathetic support to one party involved in the current conflict. Since the start of the latest conflict, unconfirmed reports suggest 300 members of U.S. based Hezbollah have been arrested since the 1980s.

⁶⁵ (...continued)

manage a worldwide presence and supporting activities, Hezbollah may launch terrorist attacks against domestic and international U.S. targets as a sign of support to Iran or in attempt to assert its relevancy in the worldwide perception of its organization.

⁶⁶ Robert S. Mueller, III, Director, Federal Bureau of Investigation, testimony before the Senate Committee on Intelligence of the United States Senate, February 16, 2005.

⁶⁷ Robert S. Mueller, III, Director, Federal Bureau of Investigation, testimony before the U.S. House of Representatives Committee on Appropriations Subcommittee on Science, State, Justice, Commerce, and Related Agencies March 28, 2006.

Sympathizer Attacks: Threats and Responses. While U.S. authorities continue to stress there is no intelligence of an imminent threat to the homeland, there is always a concern regarding an attack by individuals sympathetic to the efforts of Hezbollah or Hamas. Such attacks might not be ordered by the parent organization thus making detection and prevention by U.S. law enforcement extremely difficult. Since the beginning of this recent Israeli-Hezbollah conflict, it appears related sympathizer attacks have occurred. On July 28, 2006, a Seattle gunman, described by his parents as mentally unstable, killed one person and wounded five others at a Jewish charity office due to his desire for “the United States to leave Iraq and stop arming Israel”.⁶⁸ An FBI spokesperson described this attack as a hate crime, not an act of terrorism. Other reports of criminal activity possibly related to the Israeli-Hezbollah conflict include an incendiary device being thrown at a Jewish temple in New York City on July 28, 2006.⁶⁹ Two Jewish businesses were vandalized with graffiti that included swastikas and messages stating “U R Next.”

In response to these incidents, many major metropolitan cities have increased security and patrolling around Jewish synagogues and neighborhoods. However, some observers are concerned that the increase in the number of unresolved suspicious incidents coupled with additional patrols may have an negative impact on the operational readiness of local law enforcement and first responder organizations. DHS grants are reserved for non-governmental organizations and faith-based communities that are assessed to be at increased risk due to crises such as the current conflict. However, to date none of the \$25 million allocated to DHS for this program has been distributed. DHS Secretary Chertoff recently directed that these funds be made available to “provide appropriate parties, based on risk, to allow organizations to take precautionary and preventative measures to strengthen security in their communities.”

Cyber-Security. A significant increase in cyber-attacks directed at the U.S. government and private sector entities has been underway since the beginning of the conflict in Lebanon.⁷⁰ Of the approximately ten-thousand attacks that have occurred, many have been focused on prominent public and private entities such as the U.S. House of Representatives, the U.S. military, National Aeronautics and Space Administration, and Microsoft. To date these incidents have been limited to minor web intrusions and website defacements.⁷¹ However, as with past Israeli-Hezbollah conflicts, some observers are concerned that the longer the conflict persists the more

⁶⁸ “Gunman Spoke of Outrage at U.S. and Israel,” *Gulf Times*, July 31, 2006 [http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=100078&version=1&template_id=43&parent_id=19].

⁶⁹ Synagogue Security is Beefed Up, New York Post, August 1, 2006; online at [<http://pqasb.pqarchiver.com/nypost/access/1086889471.html?dids=1086889471:1086889471&FMT=ABS&FMTS=ABS:FT&date=Aug+1%2C+2006&author=Perry+Chiaramonte&pub=New+York+Post&edition=&startpage=008&desc=SYNAGOGUE+SECURITY+IS+BEEFED+UP>].

⁷⁰ Digital implication of the Attack to Lebanon: It’s cyber war, Zone-H, August 1, 2006 [<http://www.zone-h.org/content/view/13932/30/>].

⁷¹ Cyberwar the Beginning, Zone-H, July 28, 2006 [<http://www.zone-h.org/content/view/13932/30/>].

sophisticated the cyber-attacks will become, thus placing U.S. computer systems and national cyber-infrastructure at greater risk.⁷²

Islam, Al Qaeda, and the Global War on Terrorism⁷³

The conflict in Lebanon has challenged many Sunni Islamists, including jihadist Al Qaeda leaders such as Ayman Al Zawahiri, to reconcile their documented animosity toward Shiite Muslims with their desire to appear to be in solidarity with anti-Israeli and anti-American sentiment and activity emerging around the Islamic world in response to the crisis. Debate over the legitimacy of providing support for Hezbollah, a Shiite Lebanese militia, has been particularly pointed on many extremist Internet fora and in a series of public statements issued by conservative Sunni Islamic leaders. Some have condemned Hezbollah's actions as part of a Shiite conspiracy to gain regional power or a leadership bid by Hezbollah leader Hassan Nasrallah, while others have argued that Sunni and Shiite Muslims should unite to confront Israel and its supporters.⁷⁴ To the extent that these debates may inspire unity or division within and across religious and political communities in the Arab world and beyond, they may have important implications for the success of U.S. foreign policy initiatives in the region, and for U.S. counterterrorism policy objectives in particular.

The airing of diverse perspectives across the Arab and wider Islamic worlds has brought the competing religious and political priorities of some important figures and groups in contrast and conflict. Some conservative Sunni Islamic leaders, such as Qatar-based cleric and international Muslim Brotherhood figure Yusuf Al Qaradawi have argued that Muslims should support the activities of Hezbollah and Hamas as legitimate “resistance” activities, based on Quranic injunctions to defend Muslim territory that has been invaded by outsiders.⁷⁵ Similarly, Egypt’s Grand Mufti Ali Gomaa has stated that “Hezbollah is defending its country and what it is doing is not terrorism.”⁷⁶ Senior clerics in Saudi Arabia have offered mixed reactions to the crisis. For example, Sheikh Abdallah Bin Jibrin has re-released a statement declaring that any support for “rejectionist” (a derogatory term for Shiite) parties, including Hezbollah was impermissible on religious grounds, whereas Sheikh Salman Al Awda has called for Sunnis to set aside their “fundamental and deep disagreement” with Hezbollah and Shiites in order to confront “the criminal Jews and Zionists.”⁷⁷

⁷² For more information, see CRS Report RL33123, Terrorist Capabilities for Cyberattack, by John Rollins and Clay Wilson.

⁷³ This section was prepared by Christopher Blanchard, Middle East Policy Analyst, on August 3, 2006.

⁷⁴ For discussions of these competing views, see Bernard Haykel, “The Enemy of My Enemy Is Still My Enemy,” *New York Times*, July 26, 2006; and, Annia Ciezadlo, “Sheikh Up,” *New Republic*, August 7, 2006.

⁷⁵ “Islamic Cleric Al-Qaradawi Supports Hizballah, HAMAS,” *Al-Jazirah Television* (Doha), OSC Document GMP20060730638004, July 30, 2006.

⁷⁶ Reuters, “Egypt’s Mufti Defends Hezbollah Operations,” July 28, 2006.

⁷⁷ Sheikh Abdallah Bin-Jibrin, “Is It Permissible to Support the So-Called Rafidi [Shiite] Hezbollah?” *Nur al-Islam* (website), OSC Document GMP20060721827005, July 19, 2006; (continued...)

While many of the strongest critical statements primarily serve rhetorical purposes, they may have political implications: Many religious figures have sought to distance themselves from the more nuanced positions of Arab political leaders, some of whom have been characterized as detached from public opinion and vulnerable to revolt. Moreover, groups or individuals may utilize religious figures' judgments and statements to justify attacks on the interests or personnel of Israel, the United States, or their own governments should the crisis continue or escalate.

Similar disagreements have emerged among violent Sunni Islamist extremists, including Al Qaeda and its affiliates. The view of Al Qaeda leadership figures, as expressed by Ayman Al Zawahiri in a video released on July 27, is somewhat ambiguous: he stated that "our nation will get together to fight [Israel and its allies]," but refrained from directly urging Sunni-Shiite unity or advocating direct Sunni support for Hezbollah.⁷⁸ A Hezbollah official interviewed on Al Jazeera television following the release of Al Zawahiri's tape stated that Al Zawahiri's statement "should be clearer in its reference to the ideological and political dimensions of unity among Muslims, and that, "there should be clear and direct references to Hizballah and Shiites in a positive sense."⁷⁹ In a July 31 Internet posting, an Al Qaeda in the Arabian Peninsula representative seemingly rejected any unitarian sentiment that Al Zawahiri may have meant to inspire by characterizing Hezbollah as "the head of the Iranian spear in the Arab region," and arguing that "any support to Hezbollah in Lebanon is indirect support for the Iranian objectives."⁸⁰ The as yet undelivered opinion of Osama Bin Laden may be crucial to the resolution of debate within the Sunni jihadist community over the proper response to the ongoing conflict.⁸¹ The resolution of the Sunni jihadist debate, in turn, will likely have broader implications for any potential widening of the conflict by jihadist cells and others that look to Al Qaeda leaders for guidance.

⁷⁷ (...continued)

and, Abdallah al-Rashid, "Al-Awdah: We Disagree with Hizballah, But We Reject Israel's Aggression," *Islam Today* (Riyadh), OSC Document GMP20060724837002, July 24, 2006.

⁷⁸ "Al-Zawahiri Comments on Lebanon, Gaza" OSC Document - FEA20060727025705, July 27, 2006.

⁷⁹ Interview with Hezbollah Political Council member, Hasan Hudruj, "Al-Jazirah TV: Hizballah Official Comments on Al-Zawahiri's New Videotape," *Al-Jazirah Television (Doha)*, OSC Document - GMP20060727648002, July 27, 2006.

⁸⁰ "Al-Qa'ida in Saudi Arabia Urges Countering Hizballah," OSC Document - FEA20060802025964 August 2, 2006.

⁸¹ Bin Laden claimed prior to the U.S. presidential election in October 2004 that the 1982 Israeli invasion and U.S. intervention in Lebanon played a pivotal role in his later decision to wage religious war on the United States: "The events that influenced me directly trace back to 1982 and subsequent events when the United States gave permission to the Israelis to invade Lebanon, with the aid of the sixth US fleet... While I was looking at those destroyed towers in Lebanon, it occurred to me to punish the unjust one in a similar manner by destroying towers in the United States so that it would feel some of what we felt and to be deterred from killing our children and women." "Bin Laden Addresses American People on Causes, Outcome of 11 Sep Attacks" *Al-Jazirah Television (Doha)*, OSC Document - GMP20041029000220, October 29, 2004.

Conclusion: The Unresolved Issues

With fighting in Lebanon well into its fourth week, a number of unresolved issues and unanswered questions remain. There is much speculation not only over how the conflict in southern Lebanon might end, but also whether the international community can broker a solution that provides for long term stability in the region. A widespread concern is that expedient or temporary measures will avoid addressing the root causes of the conflict (e.g., Iranian and Syrian support for Hezbollah and Hamas, and the lack of a peace process on both the Israeli-Palestinian and the Israeli-Syrian/Lebanese tracks). From a military standpoint, many analysts have been surprised by the ability of Hezbollah to withstand Israeli air assaults and ground attacks, and many are questioning if, over the long term, Hezbollah has the manpower or resources to hold out indefinitely against a large-scale Israeli ground operation. Hezbollah's willingness over the coming days and weeks to take casualties among its hard-core militia forces may be a key indicator of how long the conflict will continue.

Many questions also remain concerning Syria: the willingness of the United States and Israel to bring Syria into the diplomatic mix, Syria's influence over Hezbollah in a Lebanon free of Syria's military occupation, and what demands Syria will make in exchange for its possible cooperation. Observers suggest a variety of theoretical incentives that the West could provide Syria, including the end of its isolation by the United States and the removal of Syria from the State Department's terrorism list and the relaxation of economic sanctions; the tacit recognition of its influence in Lebanese politics; the ratification of the EU Association Agreement with Syria that provides it with certain trade benefits; diminished international pressure regarding the U.N.-led investigation into the murder of former Lebanese Prime Minister Rafiq Hariri; increased financial support, possibly from Arab Gulf states; and finally (though less likely), a resumption of negotiations over the Israeli-occupied Golan Heights - a longstanding Syrian goal since its defeat in the June 1967 Six-Day War. Others believe that U.S. refusal to reward Syria for its intransigence should continue and that any U.S. engagement would undermine Western efforts to strengthen Lebanese independence and sovereignty, even if the unspoken reality is one in which Syria's special role in Lebanese affairs is widely recognized.

Finally, speculation continues over the winners and losers of the current conflict. Israeli officials believe that their overwhelming response to Hezbollah's provocation caught it and Iran off-guard and that Israel's subsequent operations have eroded its opponents' deterrent capabilities along the Israeli-Lebanese borders. Hezbollah claims that by merely surviving somewhat intact, it will gain a symbolic victory over the more powerful Israeli army and that it has continued to threaten Israel with rocket attacks after weeks of Israeli attempts to destroy its arsenal. Iran also believes that it has achieved an ideological victory against Israel, seeing the conflict as producing increased Arab and Muslim support for Lebanese Shiites and for overall Iranian opposition to Israel. Analysts caution that increased Arab and Muslim support for Hezbollah may simply be a temporary phenomenon in response to solidarity with the Lebanese people and sympathy for Lebanese civilian casualties. Others see increasing domestic political pressure in moderate Arab states, such as Egypt, Jordan, and Saudi

Arabia, to condemn Israel and hold the United States partially responsible for civilian casualties in Lebanon as a way to deal with popular anger and their own Islamists.

Appendix A: Chronology of Recent Events⁸²

WEDNESDAY, JULY 12

Ground War

In a cross-border raid, Hezbollah guerrillas seize two Israeli soldiers before retreating back into Lebanon, insisting on a prisoner exchange and warning against confrontation. Israeli Prime Minister Ehud Olmert describes the capture of the soldiers as “an act of war.” Israel calls up reserve troops as it pledges a swift and large-scale response to the Hezbollah attack.

Air War

Hezbollah fighters based in southern Lebanon launch Katyusha rockets across the border with Israel, targeting the town of Shlomi and outposts in the Shab'a Farms area. In response Israeli planes bomb Hezbollah positions in southern Lebanon.

Casualties

Eight Israeli soldiers are killed and two others are injured during fighting with Hezbollah.

THURSDAY, JULY 13

Air War

After a night of Israeli air raids across southern Lebanon, Israeli jets strike the runways at Beirut’s Rafiq Hariri International Airport forcing the airport to close. As night falls a Hezbollah-fired rocket hits Israel’s third-largest city, Haifa.

Casualties

Reports emerge of significant numbers of civilian casualties in Lebanese towns and villages close to Israeli targets, with at least 35 people reported killed. Two Israeli civilians are reported killed by rockets or mortar shells fired into Israel.

Diplomatic Efforts

U.S. President George W. Bush asserts that Israel has a right to defend itself from attack, but France, Russia and the European Union call Israel’s use of force “disproportionate” to the initial Hezbollah kidnapping operation.

FRIDAY, JULY 14

Air War

Hezbollah leader Sheikh Hassan Nasrallah promises “open war” against Israel after his offices in Beirut are bombed. The strikes are part of Israel’s ongoing operation against targets across Lebanon. Bridges, roads and fuel depots are hit, with new strikes against the Beirut airport. The main highway connecting Beirut and

⁸² Prepared by Lyle Minter, using the following sources: BBC News, online at [http://news.bbc.co.uk/2/hi/in_depth/middle_east/2001/israel_and_the_palestinians/default.stm] and *The New York Times* at [<http://www.nytimes.com>].

Damascus, Syria, is bombed. Off the coast of Lebanon, an Israeli ship is hit by an Iranian-supplied Hezbollah missile guided by on-shore radar.

Casualties

The number of Lebanese civilians killed in the strikes rises above 50. Two Israelis are killed by rocket strikes.

Diplomatic Efforts

The United Nations Security Council in an emergency meeting calls for an end to the Israeli operation, saying it is causing the death of innocent civilians. Iran's president warns that any Israeli attack on Syria, seen as a sponsor of Hezbollah, will provoke a "fierce response."

SATURDAY, JULY 15

Air War

Israel expands its strikes in Lebanon, attacking a large number of targets including radar installations in the northern Lebanese port city of Tripoli. The headquarters of Hezbollah are destroyed in southern Beirut. Hezbollah responds by firing Katyusha rockets on the town of Tiberias in its deepest attack into Israel so far.

Casualties

Sixteen Lebanese fleeing a village on the Israeli border are killed when their vehicles are struck with missiles on the road to the southern city of Tyre.

Diplomatic Efforts

Arab League Secretary General Amr Moussa says the Middle East peace process is dead and calls on the U.N. Security Council to tackle the crisis. Lebanon's prime minister says his country is a "disaster zone" and calls for international help. Speaking ahead of the G-8 meeting in St. Petersburg, U.S. President George W. Bush blames Hezbollah for the crisis and urges Syria to put pressure on the militants. Russian President Vladimir Putin, is critical of Israel's bombing campaign, saying that the "use of force should be balanced."

SUNDAY, JULY 16

Air War

Hezbollah rockets kill eight Israelis in the coastal city of Haifa in the worst attack on Israel since the fighting started. Israeli Prime Minister Ehud Olmert says that the Haifa attack will have "far-reaching consequences."

Casualties

Israeli air-raids kill at least 23 people in southern Lebanon, including 16 in the city of Tyre. Eight Canadians of Lebanese origin are killed in a village about 33 miles (50 kilometers) south of Beirut.

Diplomatic Efforts

Leaders of the G-8 nations meeting in St. Petersburg blame extremist forces for the crisis, but call on Israel to end military operations.

MONDAY, JULY 17

Air War

Israel extends its air strikes to the north, killing at least 15 people in and around Tripoli, Lebanon's second-largest city. Other targets include the nearby port of Abdeh; the capital, Beirut; and the eastern city of Baalbek. Hezbollah continues to fire rockets into Israel. One hits a block of flats in Haifa, injuring at least four people. In a barrage of Hezbollah rocket fire in the evening, one lands near a hospital in Safed, reportedly injuring six people.

Casualties

Ten people are reportedly killed driving across a bridge south of Beirut as Israeli missiles strike. Nine Lebanese soldiers die in an Israeli attack on the port of Abdeh.

Evacuation of Foreign Nationals

The international community steps up its evacuation of foreigners from Beirut, as thousands of Lebanese flee their homes.

Diplomatic Efforts

In Israel, Prime Minister Ehud Olmert says the attacks will go on until two captured Israeli soldiers are freed, Hezbollah is disarmed, and the Lebanese army controls the south. U.N. chief Kofi Annan and UK Prime Minister Tony Blair suggest sending an international force in Lebanon to halt the Hezbollah attacks, but Israel says it is too soon to consider such a move. Lebanon's President, Emile Lahoud, insists he will never betray Hezbollah and its leader, Sheikh Hassan Nasrallah.

TUESDAY, JULY 18

Air War

Israeli strikes continue for a seventh day, again hitting southern Beirut and also the southern coastal city of Tyre. Hezbollah rockets continue to target the Israeli port city of Haifa.

Casualties

Eleven Lebanese soldiers die in an air attack on their barracks east of Beirut, while nine bodies are pulled from the rubble of a building in the town of Aitaroun. The number of Lebanese killed since the start of Israel's offensive reaches about 230, with 25 Israelis killed.

Evacuation of Foreign Nationals

One hundred and eighty Britons are evacuated from Beirut on the naval warship HMS Gloucester. The group, which sails overnight to Cyprus, are the first of thousands of U.K. citizens expected to be evacuated in the coming days. They join 1,600 Europeans transferred to Cyprus on Monday and Tuesday by France and Italy.

Diplomatic Efforts

The U.N. warns of a humanitarian disaster as Lebanese flee their homes, with air strikes on roads and bridges hampering efforts to help them.

WEDNESDAY, JULY 19

Ground War

Israeli troops cross into southern Lebanon to carry out what the army called “restricted pinpoint attacks.” Two Israeli soldiers die in clashes with Hezbollah fighters inside Lebanon.

Air War

Meanwhile, Israeli strikes hit Hezbollah positions in Beirut, as well as targets in southern and eastern parts of the country. The Israeli military says its aircraft dropped 23 tons of explosives in an evening raid on a bunker in south Beirut where senior Hezbollah leaders, possibly including Sheikh Hassan Nasrallah, were hiding. But Hezbollah denies any of its “leaders or personnel” were killed and says the Israeli raid hit a mosque under construction rather than a bunker. Rockets fired from Lebanon strike the northern Israeli city of Haifa, and kill two children in the Israeli Arab city of Nazareth. They are the first Arab Israelis to die in the rocket attacks.

Casualties

More than 60 Lebanese civilians are killed in raids — 12 in the southern village of Srifa, near Tyre, six in the southern town of Nabatiyeh, and many more elsewhere in the south as well as Baalbek in the east. At the border, two Israelis are killed in clashes with Hezbollah militants, and two Israeli-Arab children are killed in Nazareth.

Evacuation of Foreign Nationals

Thousands of people continue to flee Lebanon. A British warship arrives in Cyprus, carrying the first 180 British citizens. A Norwegian ferry takes hundreds of Norwegians, Swedes and Americans to Cyprus, while a U.S.-chartered ship docks in Beirut to evacuate U.S. and Australian citizens.

Diplomatic Efforts

After meeting Israeli Foreign Minister Tzipi Livni, the European Union’s foreign policy chief, Javier Solana, says he has seen the suffering of Lebanese civilians and it is nothing to do with the battle against Hezbollah — it was “disproportionate.” But Ms. Livni says the Israeli military response is proportionate to the threat posed by Hezbollah to the entire region.

THURSDAY, JULY 20

Ground War

Heavy fighting erupts between Israeli troops and Hezbollah militants inside Lebanon’s border with injuries on both sides, the Israeli military says.

Air War

Israel continues its bombing of Lebanon, carrying out 80 air strikes early in the day.

Evacuation of Foreign Nationals

The mass evacuation of foreign nationals continues. Forty US marines come ashore to help U.S. citizens — the first presence of US troops in Lebanon since Hezbollah militants blew up a marine barracks in Beirut in 1983, killing 241 personnel.

Diplomatic Efforts

The United Nations warns that without a truce allowing aid agencies to begin the relief effort there will be a “catastrophe.” U.N. Secretary General Kofi Annan and US Secretary of State Condoleezza Rice are to meet later on Thursday to discuss the crisis.

FRIDAY, JULY 21

Ground War

Israel masses soldiers and tanks on the Lebanese border, calls up thousands of reserves, and drops leaflets in southern Lebanon urging residents to leave.

Air War

Israel's continued bombardment of Lebanon hits more than 40 targets, mostly in Beirut's southern suburbs. The United States expedites shipments of precision-guided bombs to Israel.

More than 50 Hezbollah rockets hit Haifa and other towns in northern Israel.

Casualties

Israeli tank fire kills a man in the Gaza Strip.

Evacuation of Foreign Nationals

Thousands of evacuees arrive in Cyprus.

Diplomatic Efforts

Lebanese Prime Minister Fouad Siniora alleges that the offensive is no longer against Hezbollah, but against all of Lebanon.

SATURDAY, JULY 22

Ground War

The Israeli army continues its ground operations in southern Lebanon, claiming to have gained control of the village of Maroun al-Ras after several days of fighting. Civilians in 14 villages are warned to leave.

Air War

Israel strikes more than 150 targets in Lebanon, including mobile phone and television transmission towers.

Hezbollah fires 130 rockets into Israel.

Casualties

The death toll rises to at least 370 Lebanese and 35 Israelis.

Diplomatic Efforts

The U.N. calls for the designation of secure routes for civilians to escape as thousands attempt to flee. The U.N.'s emergency relief coordinator, Jan Egeland, suggests that “more than half a million people are directly affected.”

SUNDAY, JULY 23

Air War

Israeli air strikes hit southern Beirut, the Bekaa Valley, Tyre, and for the first time, Sidon, where many refugees have sought shelter. Palestinian militants in the Gaza Strip fire more than a dozen Qassam rockets into southern Israel, causing little damage.

Casualties

Two people are killed and 15 are wounded when Hezbollah rockets strike Haifa.

Diplomatic Efforts

Envoy from Britain and France hold talks in Israel, looking for ways to resolve the situation. Israeli Defense Minister Amir Peretz indicates Israel would agree to the proposed NATO-led deployment of a multi-national force in southern Lebanon.

MONDAY, JULY 24

Ground War

Fierce fighting takes place around Bint Jbeil, a Hezbollah stronghold in southern Lebanon.

Air War

Hezbollah claims to have shot down an Israeli helicopter in northern Israel, killing the two pilots. Israel denies this claim. Hezbollah fires more than 80 rockets, striking the town of Kiryat Shmona in northern Israel. Palestinian militants fire light rockets into southern Israel.

Casualties

Two Israeli soldiers are killed in the attack on Bint Jbeil. Israeli air strikes around Tyre kill seven people. Israeli shelling kills ten Palestinians in the Gaza Strip.

Diplomatic Efforts

U.S. Secretary of State Condoleezza Rice makes a surprise visit to Beirut for talks with Lebanese Prime Minister Fouad Siniora. The U.N. launches an appeal for \$150 million in relief aid, and the United States pledges immediate aid in the amount of \$30 million. U.N. Secretary General Kofi Annan says the international ministerial talks to be held in Rome must not fail. British Prime Minister Tony Blair says the situation in Lebanon is "a catastrophe."

TUESDAY, JULY 25

Ground War

U.N. observers report that Israel has taken the town of Bint Jbeil, a Hezbollah stronghold in southern Lebanon.

Air War

Israel resumes air raids on Beirut. Hezbollah continues to fire Katyusha rockets. The Israeli air force bombs buildings in Gaza, and Palestinian militants fire several rockets into southern Israel.

Casualties

Four U.N. observers are killed in an Israeli air strike on Khaim. Seven Lebanese are killed in Nabatiyeh. An Israeli Arab girl is killed when a Hezbollah rocket strikes a house in Mughar.

Diplomatic Efforts

Secretary Rice completes her tour of the region, having visited Beirut and having held separate talks with Palestinian President Mahmoud Abbas and Israeli Prime Minister Ehud Olmert. Israel's Defense Minister Amir Peretz says Israel will keep control of an area in southern Lebanon until this force is deployed.

WEDNESDAY, JULY 26

Ground War

Israeli tanks move back into the north of the Gaza Strip.

Casualties

Nine Israeli soldiers are killed in fierce fighting in the town of Bint Jbeil, and another soldier dies in nearby Maroun al-Ras. Israeli air strikes and ground fire kill at least 23 Palestinians in the Gaza Strip.

Diplomatic Efforts

At talks in Rome, the United States, the European Union, Russia, and Arab states decide to work toward a "lasting and sustainable" cease-fire, backed up by an international force operating under a U.N. mandate.

THURSDAY, JULY 27

Ground War

The Israeli security cabinet calls up more military reserves. Fighting continues around Bint Jbeil.

Air War

Hezbollah fires 110 rockets into northern Israel. Israel conducts more air and artillery attacks on suspected Hezbollah targets.

Casualties

One Lebanese policeman is killed in Zahle. Three Palestinians are killed when Israeli troops and Palestinian militants clashed in Gaza City.

Diplomatic Efforts

Al Qaeda leader Ayman Al-Zawahiri warns in a video that Al Qaeda will respond with force to attacks in Lebanon and Gaza.

FRIDAY, JULY 28

Air War

Hezbollah fires more than 100 rockets into Northern Israel, for the first time using long-range Khalbar-1 rockets in five air strikes on Afula, more than 30 miles from the Lebanese border.

Casualties

Lebanese officials say at least ten people are killed as Israel conducts dozens of strikes on Lebanon.

Diplomatic Efforts

After talks in Washington D.C., President Bush and Prime Minister Blair affirm that the United States and the United Kingdom wish to achieve “lasting peace” in the region, and call for an international force to be sent to Lebanon to bolster the Lebanese army and distribute humanitarian relief supplies. The U.N. calls for a 72-hour truce to permit humanitarian aid to enter into and to get casualties out of the conflict zone. The U.N. plans to move unarmed observers to United Nations Interim Force in Lebanon (UNIFIL) posts along the Israeli border.

SATURDAY, JULY 29

Ground War

Israeli tanks move into the Gaza Strip, cutting power to Rafah.

Air War

Israeli warplanes strike targets across Lebanon, including the main highway linking Beirut and Damascus. The Israeli military says it hit the road, closing the border crossing between Lebanon and Syria, “to prevent smuggling of weapons.” Israeli aircraft also bomb a building in Gaza City that allegedly held a weapons cache.

Hezbollah fires at least 40 Katyusha rockets across northern Israel.

Casualties

Israeli air strikes kill a Lebanese family of seven, and wound two U.N. monitors in their post in southern Lebanon.

Diplomatic Efforts

Secretary of State Rice returns to the Middle East for more talks on how to end the fighting, saying she is encouraged by Hezbollah’s agreement at a Lebanese cabinet meeting to accept a cease-fire and an international military force. Hezbollah leader Hasan Nasrallah says in a televised speech, “It is clear that Israeli enemy cannot achieve any military success. The whole world knows that.” He threatens more rocket attacks on Israeli cities if Israel does not quickly end its air and artillery strikes. Humanitarian aid arrives in Beirut for the more than 750,000 Lebanese displaced by the fighting.

SUNDAY, JULY 30

Air War

Hezbollah fires at least 156 rockets into northern Israel. Protests erupt in Beirut where a crowd begins to attack buildings, including a U.N. facility.

Casualties

More than 28 people are killed when Israeli missiles hit an apartment building in the village of Qana.

Diplomatic Efforts

Secretary Rice cancels her visit to Beirut, but continues to work on drafting a U.N. Security Council Resolution that would put an international peacekeeping force on the southern Lebanese border and ensure the return of captive Israeli soldiers.

MONDAY, JULY 31

Ground War

Fighting continues across the border, while Israeli warplanes strike several targets. Hezbollah shells the Israeli border town of Kiryat Shmona.

Air War

Israel calls a 48-hour halt to air strikes in southern Lebanon to allow an investigation into the civilian deaths in Qana, although air cover is still provided for ground forces in the border zone where Israeli troops are battling Hezbollah.

Diplomatic Efforts

British Prime Minister Tony Blair calls for “maximum pressure” to get the proposed U.N. Security Council resolution passed.

Diplomacy

Israeli Prime Minister Ehud Olmert apologizes to the Lebanese people “for the pain caused,” and says Israel’s fight is against Hezbollah, not Lebanon.

President George W. Bush says any peace between Israel and Lebanon has to be “long-lasting and sustainable.” Secretary of State Condoleezza Rice says the United States would seek a U.N. resolution calling for a cease-fire this week.

TUESDAY, AUGUST 1

Ground War

Israeli forces clash with Hezbollah fighters in southern Lebanon. Israeli troops push towards the Litani River, according to media reports.

Air War

Hezbollah fires only ten rockets into Israel, fewer than on any recent day.

Casualties

Three Israeli soldiers are killed and 25 slightly injured in clashes in the border village of Ait al-Shaab.

Diplomacy

Six aid convoys, two from the U.N.'s World Food Program and four carrying International Committee of the Red Cross supplies, are unable to leave for affected areas in the absence of safe passage guarantees.

Senior Iranian cleric Ayatollah Ahmad Jannati calls on Muslim countries to send weapons to Hezbollah to fight Israel.

WEDNESDAY, AUGUST 2

Ground War

Israeli troops continue to push into southern Lebanon, while commandos carry out the deepest raid yet in Baalbek, some 60 miles north of the border.

Air War

According to Israeli military sources, Hezbollah fires more than 230 rockets into Israel — the highest number in one day. Some rockets hit as far as 43 miles inside Israel.

Casualties

Israeli soldiers kill ten Hezbollah members in a raid near Baalbek, and an Israeli air strike kills three Palestinian soldiers near Sidon. One Israeli civilian is killed by rocket fire.

Diplomacy

Israeli Prime Minister Ehud Olmert indicates the fighting will continue until an international peacekeeping force is deployed in southern Lebanon.

THURSDAY, AUGUST 3

Air War

Israeli warplanes resume air attacks on the Lebanese capital, Beirut, after a lull of several days. Hezbollah continues to launch rockets into northern Israel.

Diplomacy

Diplomats at the United Nations say delegates from the United Kingdom, France, and the United States are close to agreeing on a U.N. resolution calling for an immediate cease-fire.

Appendix B: Chronology of Conflict on the Israeli-Lebanese-Syrian Border

December 1968	Israeli commandos destroy 13 passenger planes at the Beirut airport, in reprisal for attack by Palestinian terrorists trained in Lebanon on an Israeli airliner in Athens.
March 1978	Israel invades south Lebanon and sets up a roughly 10-km (6-mile) occupation zone. Most troops withdraw within weeks, leaving a security area held by Israel's Lebanese Christian allies, the South Lebanon Army (SLA).
January 1979	Israeli agents detonate a car bomb in west Beirut, killing Ali Hassan Salameh, security chief of the Black September group. Salameh, known as Abu Hassan, was one of the plotters of the Munich Olympics attack against Israeli athletes in 1972.
June 1982	Terrorist and rocket attacks by Lebanon-based Palestinian groups and Israeli counter-strikes culminate in Israeli invasion of Lebanon. Syrian army ousted from Beirut and thousands of Palestinian guerrillas under Yasser Arafat depart for Tunisia by sea.
September 1982	Israel captures Beirut after pro-Israel Christian leader Bashir Gemayel, who had been elected president, is assassinated. Hundreds of civilians in Palestinian refugee camps of Sabra and Shatila are killed by Christian militiamen allied with Israel.
May 1983	Israel and Lebanon sign peace agreement under U.S. patronage. Syria opposes it, and it is never ratified.
March 1984	Peace agreement with Israel is cancelled and Lebanese President Amin Gemayel breaks with Israel under Syrian pressure.
June 1985	Israel pulls back to a self-declared 15-km (9-mile) border security zone in south Lebanon controlled by Israeli forces and their Lebanese militia allies.
February 1992	Israeli helicopter gunships rocket car convoy in south Lebanon, killing Hezbollah leader Sheikh Abbas Musawi, his wife and six-year-old son.
July 1993	Hezbollah launches rocket attacks on northern Israel. Israel unleashes "Operation Accountability," a week-long air, artillery and naval operation.
April 1996	After Hezbollah began shelling towns in northern Israel, Israel launched "Operation Grapes of Wrath," a 17-day campaign against Hezbollah positions in south Lebanon. On April 18, Israeli artillery fire targeting Hezbollah rocket crews falls in and around a U.N. refugee camp near the village of Qana, killing 91 civilians and sparking international calls for an immediate ceasefire, achieved on April 26.
June 1999	The South Lebanon Army retreats from the Jezzine enclave north of the Israeli zone it held for 14 years.

May 2000	Israel ends 18-year occupation of south Lebanon. On June 18, 2000, the U.N. Security Council certifies Israel's withdrawal in accordance with U.N. Security Council Resolution 425 (1978).
October 2003	After a suicide bombing in Haifa killed 20 Israelis, Israel launches air strikes against an alleged terrorist training camp at Ain Saheb, northwest of Damascus, Syria.
September 2004	Months before the assassination of former Lebanese Prime Minister Rafiq Hariri, which was widely blamed on Syrian agents, the U.N. Security Council passed Resolution 1559 calling for withdrawal of "foreign forces" from Lebanon (Syria) and disarming of militia, such as Hezbollah.

Source: Reuters, "Chronology - Israel's interventions in Lebanon," July 19, 2006.

Appendix C: U.S. Sanctions

Iran. Iran is also denied investment dollars intended for development of its petroleum industry under the Iran and Libya Sanctions Act of 1996.⁸³ Sanctions available under this act, to be imposed on those who engage in unlawful investment in Iran, include a prohibition on Export-Import Bank funds, prohibition on exports, denial of loans from U.S. financial institutions, denial of rights to financial institutions to participate as a dealer in U.S. debt instruments, denial of procurement contracts, and any other transaction the President wishes to restrict if the authority to do so also is stated under the International Emergency Economic Powers Act (IEEPA). Petroleum-related investments are restricted also by Executive Order, and all new investments, regardless of the industry, are also restricted under the IEEPA.⁸⁴

Syria. Although Syria has been identified as a state sponsor of acts of international terrorism since 1979, regulations that implement restrictions on trade and transactions with that country are less restrictive than those that pertain to other designated countries, reportedly because Syria is considered instrumental in the Middle East peace process. Congress took this into account when it sent the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003 to the President.⁸⁵ The act, triggered by increasingly organized and forceful efforts in Lebanon to shed itself of foreign forces, and reflecting recent statements from the Bush Administration targeting Syria's involvement with terrorism, development and trade of weapons of mass destruction, and support of the insurgency in Iraq, requires the

⁸³ P.L. 104-172 (50 U.S.C. 1701 note). This act no longer applies to Libya, following the President's determination that the country was in compliance with terms of the act (Presidential Determination No. 2004-30; 69 F.R. 24907; May 5, 2004).

⁸⁴ Petroleum-related investments in Executive Order 12957 (March 15, 1995; 60 F.R. 14615; 50 U.S.C. 1701 note); other new investments in Executive Order 12959 (May 6, 1995; 60 F.R. 24757; 50 U.S.C. 1701 note); and a consolidation of earlier orders in Executive Order 13059 (August 19, 1997; 62 F.R. 44531; 50 U.S.C. 1701 note).

⁸⁵ P.L. 108-175 (22 U.S.C. 2151 note).

President to curtail trade and transactions until certain conditions are met. The act requires the denial of export licenses for any item on the U.S. Munitions List (USML) or Commerce Control List (CCL). The act also requires the President to impose two or more of the following restrictions:⁸⁶

- prohibit export of all products (except food and medicine, as made exempt by the Trade Sanctions Reform Act of 2000);
- prohibit investment in Syria;
- restrict travel of Syrian diplomats to only the environs of Washington, D.C. and the United Nations in New York;
- prohibit Syrian-owned air traffic in or over the United States;
- reduce diplomatic contact; and
- block transactions in property.

The President implemented terms of the Syria Accountability and Lebanese Sovereignty Restoration Act on May 11, 2004, by complying with the mandatory restrictions on USML and CCL exports, and by prohibiting U.S. exports and restricting Syrian air traffic.⁸⁷

Lebanon. For fiscal year 2003 and each fiscal year thereafter, of any Economic Support Funds allocated or obligated to Lebanon, \$10 million shall be withheld:

unless and until the President certifies...that

- (1) the armed forces of Lebanon have been deployed to the international recognized border between Lebanon and Israel; and
- (2) the Government of Lebanon is effectively asserting its authority in the area in which such armed forces have been deployed.⁸⁸

To date, the President has not certified that these conditions have been met. Congress, however, has ensured that the \$10 million would be made available each

⁸⁶ The act provides the President the authority to waive the application of sanctions if he finds it in the national security interest of the United States to do so (§ 5(b)).

⁸⁷ Executive Order 13338 (69 F.R. 26751; May 13, 2004). The Order also cited the National Emergencies Act and the International Emergency Economic Powers Act as its underlying statutory basis.

⁸⁸ § 1224 of the Security Assistance Act of 2002 (division B of the Foreign Relations Authorization Act, Fiscal Year 2003; P.L. 107-228; 22 U.S.C. 2346 note).

year by overriding the restriction. Annual foreign operations appropriations measures have provided assistance to Lebanon “notwithstanding any other provision of law.”⁸⁹

Hamas and Hezbollah. In 1995, the President identified Hamas and Hezbollah as Specially Designated Terrorists (SDT) that threaten to disrupt the Middle East peace process and authorized the blocking of all assets and of transactions with persons associated with either organization.⁹⁰ Subsequent legislative and executive initiatives led to the creation of several other lists. Enactment of the Anti-Terrorism and Effective Death Penalty Act of 1996, which also authorizes deportation or exclusion from entry into the United States, generated the Foreign Terrorist Organization (FTO) list.⁹¹ The President issued an executive order to create the Specially Designated Global Terrorists (SDGT) list in the wake of events of September 11, 2001.⁹² All these lists were subsequently consolidated into one Specially Designated Nationals and Blocked Persons list (the “SDN list”), administered by the Department of the Treasury’s Office of Foreign Assets Control in 2002.⁹³ Hamas and Hezbollah, or individuals associated with each, are on each of the lists.

⁸⁹ Most recently, in sec. 534(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (P.L. 109-102).

⁹⁰ Executive Order 12947 (January 23, 1995; 60 F.R. 5079; 50 U.S.C. 1701 note). Each of the executive orders cited in this paragraph are issued under the authority vested in the President in the National Emergencies Act (P.L. 94-412; 50 U.S.C. 1601 *et seq.*), and § 203 of the International Emergency Economic Powers Act (P.L. 95-223; 50 U.S.C. 1702).

⁹¹ Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132), particularly as it amends the Immigration and Nationality Act at § 219 (8 U.S.C. 1189).

⁹² Executive Order 13224 (September 23, 2001; 66 F.R. 49079).

⁹³ Office of Foreign Assets Control SDN list: [<http://www.treas.gov/offices/enforcement/ofac/sdn/index.shtml>]